

MAKING A BUCK IN THE CATTLE BUSINESS THE VETERINARIANS ROLE

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Veterinarians working with beef cattle producers often focus first on the health of the animals being produced, then on the nutritional status of the animals and finally on how these animals will be marketed. While the health status for a group of animals does have a significant impact on the price received there are other variables that can have a significant impact on price. Veterinarians working with beef cattle producers should provide management considerations regarding the “other” production variables that affect price. Doing so may provide the producer with additional revenue when the animals are sold. Providing services beyond the health management for a group of cattle will assist a veterinarian to become a significant supplier of management information for their producers.

Numerous studies have been conducted evaluating the price received for a beef animal and the factors that have an impact on the price received.^{1,2,3,5} This discussion will briefly review some of the factors that have been identified as having an impact on beef cattle production and the price received for a animal when they are sold.

When cattle are marketed it is the goal of a producer to receive the highest possible price. The buyer's objective is to determine the value for a group of cattle based upon certain attributes that are identified within the group of cattle at the time of sale. Some attributes add to the value of a group of cattle and some may detract from the sale price. The value that a buyer places on a set of cattle is commonly determined by the production system and goals for those animals after the sale. For instance if a group of feeder calves were preconditioned prior to sale, these calves should have less health problems post sale. If these calves were to be placed in a commercial feedlot they should have fewer cases of Bovine Respiratory Disease (BRD). With a lower incidence of BRD in the feedyard these calves should start on feed quicker and have improved performance compared to calves that were not preconditioned prior to arrival at the yard. This enhanced performance due to the preconditioning is considered by a cow calf producer and their veterinarian as an important management consideration adding value to calves produced.

The geographic origin of cattle can impact the sale price. Buyer considerations based on origin include, freight expense, prior handling, nutrition, genetic makeup, animal health, feedyard performance. As cattle are purchased further from the Midwest and the feedlot belt, the price received decrease due to increasing transportation costs. Cattle originating for certain areas of the U.S. when compared to other areas, may be considered to be healthier, have superior genetic makeup, easier to handle, more adaptable to the feedyard environment etc. Historically cattle from the northern portions of the U. S. were considered to be of higher quality. These considerations can add to or detract from the sale price.^{1,2,3}

Groups of cattle with known genetics and a history of past performance are considered less of a risk when purchased. A buyer may know the history for a producers cattle which may include their performance potential, carcass quality, health, handling, and how they were cared for prior to the sale.^{1,2,3} A producer who selects herd sires that are more efficient utilizing feed resources, produce progeny with superior carcass quality attributes, are eligible for select marketing programs, etc adds value to their calf crop as fed cattle. Within each breed and depending upon the production goals for a cow calf producer some sires are more likely to transmit an improvement in select traits to their progeny than other sires within that breed. Part of the production goals for a cow calf producer is to determine what types of calves they are producing and select sires which will transmit the selected traits to their progeny. Sires which transmit traits for increased gain, feed efficiency, carcass quality, rib eye area, retail product yield, are selected to producer feeder calves and fed cattle. Sires which produce superior females with regards to mature size, calving ease, birth wt, milking ability are selected as sires to develop replacement heifers. Cattle with Angus genetics are currently considered to be of superior

quality and therefore often receive a price premium.^{1,2} Historically continental crossed calves have received premiums due to the performance potential and red meat yield. Currently these animals may actually receive a slight discount because of their breed type and potential for leaner carcasses and increased carcass weights. Cattle with excessive carcass weights and lower quality grades may be discounted. Cattle with excessively large rib eyes may be discounted due to their portion size at retail and lack of uniformity when being packaged at slaughter. Select breed types may be eligible for value added marketing programs at the retail level, examples are: Laura's Lean Beef, Certified Angus Beef, Certified Hereford Beef, Black Canyon Angus. If a buyer is knowledgeable about the sires utilized by producers this information can add significant value to a set of calves.

Cattle which have been castrated, dehorned and allowed to heal prior to sale can receive premiums compared to horned and bull calves. Castration and dehorning are important for human and animal safety when cattle are used for agricultural purposes. Because castration and dehorning can cause pain and discomfort, the AVMA recommends the use of procedures and practices that reduce or eliminate these effects.⁴ Delaying these procedures can create additional health concerns and decreased performance when compared to like calves which have been castrated and dehorned. Early castration and dehorning is an animal welfare issue. The American Veterinary Medical Association, (AVMA), the American Association of Bovine Practitioners (AABP) and the Academy of Veterinary Consultants (AVC) have all taken a position that bull calves should be castrated and horned calves dehorned at a young age.

Frame score and muscling are indicators of an animal's potential for performance and red meat yield. Larger framed animals are generally considered to have enhanced performance when compared to smaller framed cattle.¹ Also well muscled cattle have higher red meat yields than lightly muscled cattle. Both of these qualities in calves should not be taken to extremes however. Heavily muscled animals may experience calving difficulties. Large framed animals if taken to an extreme may be discounted because of excessive carcass weights and the size of retail cuts produced by their carcasses.⁶

The number of animals offered for sale or lot size can affect sale price. When compared to larger lots, individuals and smaller lots received a discount. When transporting animals the load size is a significant consideration. Buyers prefer to purchase larger lots of cattle to minimize transportation costs. Larger lots of cattle may be considered as single source cattle which are often associated with less health risk. Smaller lots of calves commingled after purchases are considered an increased health risk. Increasing the number of calves within a lot of animals offered for sale is generally associated with an increase in sale price.¹

Sex of the animals offered for sale can affect the sale price. Steers are often sold at a premium when compared to heifers and bulls.¹ Steer calves are often associated with less performance risk when placed on feed. However there are occurrences of heifers outperforming steers while on feed.^{3,6} Cattle destined for the fed market are generally steers and heifers few intact bulls are fed. Bulls, compared to steers and heifers are associated with increased health and performance risk. Carcasses produced by bulls are of lowered quality. If bulls do enter a feedlot they are castrated at or shortly after arrival which affect feeding performance and associated cost of production. The sex of an animal offered for sale is a significant determinant of sale price.^{1,2,5}

Animal Health is a concern for calves as they are sold. Unhealthy calves are associated with an increased risk of dying and increased cost of production. Animals which have been vaccinated against the viral BRD pathogens have decreased health and performance risk when compared to sick or non vaccinated calves. Producers may be reluctant to invest in health programs for their calves. The common comment received from producers is they are not being paid a return on their preconditioning investment. In reality, if producers do not invest in a health program for their calves, rather than receiving a premium or at least on par with other calves, what they may actually experience is a price discount. Calf health programs such as preconditioning are becoming more of the norm for cattle production. Calf health, well being and performance is improved with an investment in a health program for light weight calves. Healthy animals are associated with an increase in performance when compared to unhealthy or stressed animals. Buyers will often pay a premium for calves

which have been vaccinated prior to being sold. The premium paid often depends upon the particular health program implemented prior to being sold.^{1,2,5}

The beef industry is evolving toward value-based marketing as consumer demand for beef products with specific characteristics increases. Natural, hormones free and organic are examples of niche markets through which a section of our beef cattle are marketed. For cattle producers to generate these branded products economically, market premiums or value addition must equal or exceed the increase in unit cost or production that typically occurs when these technologies are not utilized.^{7,9}

Consumer based and calf based programs are becoming more common. Consumer based programs focus on finding, feeding and marketing cattle according to predefined consumer product specifications. Calf based programs are focused on procuring calves that fit specific value requirements. A listing of these programs can be found on the web site for Beef Magazine.^{8,9}

Cattle producers and their veterinarians are offered several avenues which can potentially generate enhanced revenues when calves are produced with a value added product management style. Veterinarians working with cow calf and stocker producers should be aware of the management and production practices which can add value to a calf. They also need to understand management practices which can detract from the value of a calf. The bottom line is both the producer and their veterinarians are in the food business. They both need to listen to the consuming public, what they are demanding, this is the avenue which ultimately directs beef production.

References

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