

Stand & Deliver

Preconditioning becomes a marketplace reality.

Story and photos by
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It would be hard to find a cattle producer in the Southeast who doesn't know Dell King. As president of King Livestock, Hopkinsville, Ky., one of the largest order-buying companies in the country, he has tremendous influence over how cattle are produced and marketed in the region.

Heavy hitters like Caprock Industries call upon him annually to move more than 100,000 calves into their feedlots, and that's just a chunk of the total business he does each year.

King's success boils down to this: He knows how to locate good cattle, sort calves into similar bunches, and ship them quickly and efficiently to buyers across the country.

And perhaps most importantly, King recognized years ago the increasing demand for preconditioned cattle, and he's devoted much of his energy to encouraging producers to adapt improved health

practices to tap this growing market.

"We've seen times change a lot in the past 32 years, and surviving in the cattle business is really tough today," King says. "People must know that we are entering into times where their calves must speak for themselves. So producers who have good reputations and do things right are going to be able to build good demand for their calves. People who don't do the necessary management practices will fall behind, and their calves will be discounted."

Seeing demand increasing for preconditioned calves, King set out 21 years ago — along with the University of Kentucky — to develop special feeder-calf sales for producers in the area. Now called Certified Preconditioned for Health (CPH) sales, they have become win-win propositions for everyone involved. Buyers benefit by having access to calves with better health and documented vaccinations, and producers have a way of adding value to their production.

"Back in the 1970s, a lot of the smaller producers in the area had really good calves but had a poor marketing system," King relates. "We felt, if they grouped together and managed their cattle alike and administered the same health program and sold these cattle in like bunches, that producers would end up with more money for their cattle."

The results so far have been good. Last December at a sale in Hopkinsville, participating producers sold nearly 1,000 calves to buyers in feeding states. All the calves possessed a permanent identification ear tag to allow traceback to the person who produced them.

"The producers really put their reputation on the line when they enter into one of these sales," King says. "But it's something that they can benefit from greatly. Most of us buy cattle on reputation, and if one particular buyer has good performance and calves he buys do well, there's going to be repeat buyers and better demand for the producers' calves."

What's preconditioning?

Preconditioning is simply preparing and managing your calves for when they leave your ranch or farm. It starts with an

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effective vaccination program, which strengthens the calves' immune systems, protects them from disease and improves their feedlot performance.

Some producers vaccinate their calves a couple of times, then sell them right at weaning. These calves are called Value Added Calves 34, or VAC-34.

Other producers vaccinate their calves a couple of times, wean them, then background them for about 45 days before they sell them. These calves are called Value Added Calves 45, or VAC-45.

The benefits of preconditioning are well-documented. Texas A&M University (TAMU) Extension, through its Ranch-to-Rail program, has spent the last 10 years studying the positive effects of preconditioning. Among other things, the study has found that unpreconditioned cattle have a much higher sickness rate than their preconditioned counterparts. And there are other drawbacks:

- Sick feedlot cattle have seven times as much death loss;
- Sick feedlot cattle that survive gain 0.2 pound (lb.)/day less;
- Sick feedlot cattle have much higher costs per pound of gain;
- Sick feedlot cattle require \$31/head more in medicine costs; and
- Sick feedlot cattle decrease the quality of beef because they produce a lower percentage of Choice-grade carcasses.

In all, the value difference between sick cattle and healthy cattle can be almost \$95/head. That equates to a



Dell King, president of King Livestock, Hopkinsville, Ky., recognizes the increasing demand for preconditioned cattle. He encourages producers to improve health practices to tap the growing market.

\$16/hundredweight (cwt.) difference between feeder calves that are healthy — or preconditioned properly — and feeder cattle that aren't.

TAMU research also shows that fresh-weaned calves can lose as much as 9% of their gross body weight within 24-48 hours after weaning. That's about 50 lb. on a 550-lb. calf. If rushed right off the cow and sold on a \$1 market, that's a \$50 loss for the producer who could have prevented it by holding onto the calves a while longer.

"Simply put, the largest loss to the producer in selling a just-weaned calf at auction is shrink," says Texas A&M's Bill Mies. "Calves that are preconditioned for 45 days and then sold at auction aren't looking for their mamas. They're eating well, they're less stressed, they're filled back up, and they weigh more pounds when you sell them."

Mies points out that holding calves for 45 additional days can put as much as 68 lb. of additional weight on calves. Those additional pounds put \$70 in a producer's pockets, far offsetting the costs of preconditioning, which usually run about \$30-\$40/calf.

"For a lot of producers, it's often difficult to justify the additional expense of preconditioning their calves — especially if they sell them at weaning," Mies says. "But, based on research from several universities and firsthand experience from feedlots, there is information that shows that a vaccination program can actually add value to the price of your cattle whether you sell them as calves or retain them through the feedyard."

Perhaps most importantly, preconditioning is fast becoming a standard industry practice. The reasons are simple: If you don't precondition your calves before you send them to the feedyard, somebody's going to lose money. Calves that aren't preconditioned just don't measure up. They get sick easier. They don't handle stress. They don't perform, gain or convert like they should, Mies says.

Developing a program

So how do you develop your own preconditioning program?

Begin by consulting with your local veterinarian, who can help you develop the best possible herd health program for your individual situation.

Effective preconditioning involves vaccinating calves at 2-4 months of age with a chemically altered vaccine, then again at weaning with a modified-live-virus (MLV) vaccine. Keep in mind that the cornerstone to effective vaccination is the inclusion of infectious bovine rhino-



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tracheitis (IBR); this will help your calves fight off respiratory infection, one of the primary sicknesses that afflicts stressed calves.

Make sure you follow proper injection-site protocol. Don't give injections in the rump or hindquarter. Instead, vaccinate in the neck region. By doing so, you'll help reduce or eliminate injection-site blemishes in beef carcasses.

Adhere to the label instructions on your animal health products. Most vaccinations require refrigeration and protection from sunlight. If your bottles get too hot for a prolonged period of time, your investment in time, money and labor in this preconditioning program will be lost.

Castrate your calves as early as possible. If you delay castration, research shows the eating quality of beef steadily declines, especially if the calf weighs more than 400 lb. at castration. And castrating late increases the chance of sickness and death and reduces performance, efficiency and profit.

Dehorn your calves (not a problem with Angus, but a potential problem with Angus crossbreds). Again, sooner is better. Horns cause scratches and scars on hides and bruises in carcasses.

Control parasites. Often overlooked, external lice or ticks and internal parasites like brown stomach worms rob your calves of performance and health and diminish the effectiveness of your vaccina-

tion program.

Reduce stress. There are all kinds of research and firsthand experiences that show how stress negatively affects your calves. They are at their greatest risk at weaning, and that is when they're most susceptible to sickness. Take your time when you handle them.

At weaning, place your calves in a well-fenced pen or corral. This will ensure a quick and reduced-stress weaning period and will keep them from breaking out and getting back with their mothers.

Provide your calves with good water and abundant, excellent-quality free-choice hay. Remember, nutrition is key, and you want your calves eating as much as possible. If they're not eating, they're not only losing weight, they're also more susceptible to sickness. Consider supplementing feed rations with protein.

After your calves stop bawling — usually within five to 10 days — turn them out to pasture. If grass conditions aren't good, continue to feed high-quality hay or protein or both to keep them on track.

Marketing the added value

Probably one of the more overlooked aspects of preconditioning calves is that producers forget to market them as such. Remember, buyers won't pay more for your calves if they aren't aware of the added value you've built into them. So it's key that you inform potential buyers that

your calves are preconditioned long before you take them to the auction barn.

But rest assured that there is a growing market for these kinds of calves. In fact, according to a survey by the National Animal Health Monitoring System (NAHMS), two-thirds of all feedlots believe that administering respiratory vaccinations to cattle at least two weeks prior to weaning was extremely or very effective in reducing sickness and death loss. Also, two-thirds of feedlots believed that weaning calves at least four weeks prior to shipping was extremely or very effective in reducing adverse health outcomes.

One way to market preconditioned calves is through the special preconditioned-calf sales. Currently, there are dozens of Beef Quality Assurance (BQA)-certified feeder-calf sales being conducted across the country. Producers should check with their state BQA director to get more details.

In addition, there's a substantial amount of effort by livestock markets to help promote the sale of preconditioned cattle. For instance, Superior Livestock Auction, the largest video auction company in the country, started identifying preconditioned calves in their sale book in 1994. Today, about one-third of the million-plus cattle it sells each year are preconditioned calves.

Buyer demand for preconditioned calves has been strong enough that representatives for Superior Livestock Auction estimate that VAC-34 cattle receive about a \$1.61/cwt. premium over unvaccinated

calves. Calves backgrounded for 45 days after weaning — or VAC-45 — bring about a \$4/cwt. premium.

"Our value-added calf sales continue to grow every year. We expect more producers to precondition as they see the economic advantages of doing so, and more buyers understand the added value of a regimented vaccination program," Superior's Jim Odle says. "The other thing we see at our sales is that the no-sale percentage of unvaccinated calves is significantly higher than our value-added calves in a down market."

Keep in mind, too, that preconditioning is not just for big producers. In fact, it's one of the best ways smaller producers can add value to their calf crops.

Case in point: Ken Jordan manages Jordan Cattle Auction, a company with three sale barns in Texas. Each year, about 170,000 cattle sell through his facilities. A couple of years ago, the company started its Premium Stocker and Feeder sales. Most of the producers are small-scale, selling 40 head or less through the sale.

To participate in one of these sales, producers must follow a strict vaccination program, and all of the calves must have been weaned for at least 45 days prior to being sold. The calves are then identified with special electronic identification (EID) ear tags, sorted and sold in uniform groups.

Like the Kentucky sale, buyers receive extensive information on what vaccinations the cattle have received, where they come from and who owned them.

"I am seeing more excitement, more energy and more preconditioning programs being put in place in the last 12 months than I have in my lifetime," Jordan says. "It seems to be catching on, and a lot of the alliances and branded programs are beginning to really require this as part of participation in their programs. I'm really excited about that because I think we're just now beginning an important change for this business, and preconditioning is playing a very important role in making beef more competitive and higher in quality."

In southwest Missouri, Joplin Regional Stockyards recently hosted one of the largest preconditioned-calf sales in the country, with more than 5,000 calves going through the ring in one day. Producers of all sizes benefited; pen sizes ranged from just a few head to more than several hundred head. All of the cattle were electronically identified with special ear tags, which will enable producers to track the progress of their cattle through the feedyard and into the packinghouse.

"It has taken three to four years for the market to pay a little more for these types of cattle," says Jackie Moore, owner of Joplin Regional Stockyards. "But the people who buy these cattle are getting along with them well, so we get a lot of repeat business. People know the cattle are going to work for them. And I think that, as an auction owner, providing these kinds of sales is something we're going to have to do more of if we're going to remain in business."

For King, who's devoted most of his life to helping Southeast cattlemen produce higher-quality cattle, preconditioning is a reality that's here to stay. The train has left the station, and if producers don't hop on, they'll get left behind.

"With times changing like they are today, it's most important that a producer recognize that he has to manage his calves properly if he's going to reach the optimum price per pound," King says. "Preconditioning these calves is particularly important out there today because so many buyers, alliances and other beef production programs are now requiring that the cattle they buy are weaned before they buy them and vaccinated properly. This is something that every producer will have to recognize."



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