



FACTORS INFLUENCING CALF PRICES

Management factors that affect calf value analyzed.

Story & photo by Kasey Brown, associate editor

Video auctions are a popular form of marketing feeder calves. Superior Livestock Video Auction introduced satellite video marketing in 1987 and now sells 2 million cattle annually, making it the largest video-sales company in the United States. Esther McCabe, doctoral student in the Department of Animal Sciences and Industry at Kansas State University, has been analyzing 24 years of the company's data, encompassing more than 90,000 lots of calves.

Video sales sell truckload-size lots, meaning about 50,000 pounds (lb.). Assuming weaning-age calves weigh about 500 lb., this equates to 100 calves per truckload.

This data collection started in 1995 with the primary focus of monitoring vaccination protocols. In 1995, 76% of calves were sold off the cow and at most had one dose of vaccination. Now, 80% of calves sold are enrolled in VAC 34 and VAC 45 programs. VAC 34 means calves were given two rounds of

vaccinations, but were not weaned at sale time. VAC 45 means two rounds of vaccinations and calves have been weaned for 45 days or longer.

It pays to enroll in these vaccination protocols. In 1995, VAC 34 premiums averaged \$1.35 per hundredweight (cwt.). McCabe reports the 2018 average premium was \$3.07 per cwt. Additionally, the premium for VAC 45 jumped from \$2.47 per cwt. in 1995 to \$6.19 per cwt.

Age and source verifications were designed to regain confidence of foreign markets following a confirmed case of bovine spongiform encephalopathy (BSE) in 2003. Popularity of the programs has diminished slightly, with 29% of lots enrolled in such programs in 2018 vs. 46% in 2010.

Premiums for age and source verification vary widely, McCabe says. The lowest premiums from her data were in 2018 at \$0.76 per cwt. The highest were in 2015 at \$4.07 per cwt., with no real trend line among the data.

In 1995, about 65% of calves sold were implanted. Since 2010, the average number of implanted lots has hovered around 25%-27%.

There are a number of "natural" programs available to producers in the industry. These programs do not allow the use of growth-

promoting implants. However, the results of this study show the decline in use of implants far exceeds that expected from growth in natural beef programs.

"There is no significant evidence to show a price difference between implanted and non-implanted cattle. There was not a discount on implanted cattle, according to the data," says McCabe.

Non-hormone-treated cattle (NHTC) is a protocol that's getting more traction, McCabe says. Created in 1999 to export cattle to the European Union, program enrollees must have a third-party audit to participate. Its popularity has increased recently. Only 5% of lots were enrolled in the program in 2010. In 2017, 16% of lots were enrolled, and in 2018 that number increased to 24%.

NHTC premiums in 2010 were \$2.38 per cwt. They spiked to \$4.04 per cwt. in 2014, but have settled to about \$2.30-\$2.40 per cwt. in 2017-2018, she shares.

McCabe offers regional and breed makeup information from the summer 2018 calf sales. Video sales are most popular in the Rocky Mountain/North-central Region, with 1,801 lots averaging about \$164.33 per cwt. The West Coast consigned 1,259 lots, averaging \$160.21 per cwt., this summer. The South-central Region consigned 1,046 lots, averaging \$160.35 per cwt. The Southeast consigned 265 lots, averaging \$155.16 per cwt.

She broke down by breed composition, as well. English on English overwhelmingly dominated lots consigned, with 12,318 averaging \$162.84 per cwt. English crossed with Continental made up 1,490 lots and averaged \$161.97 per cwt. Brahman-influenced cattle composed 563 lots and averaged \$155.23 per cwt.

Marketing cattle is an integral and sometimes frustrating part of the cattle industry. Knowing trends of the industry can help decide how to best market your calves. |