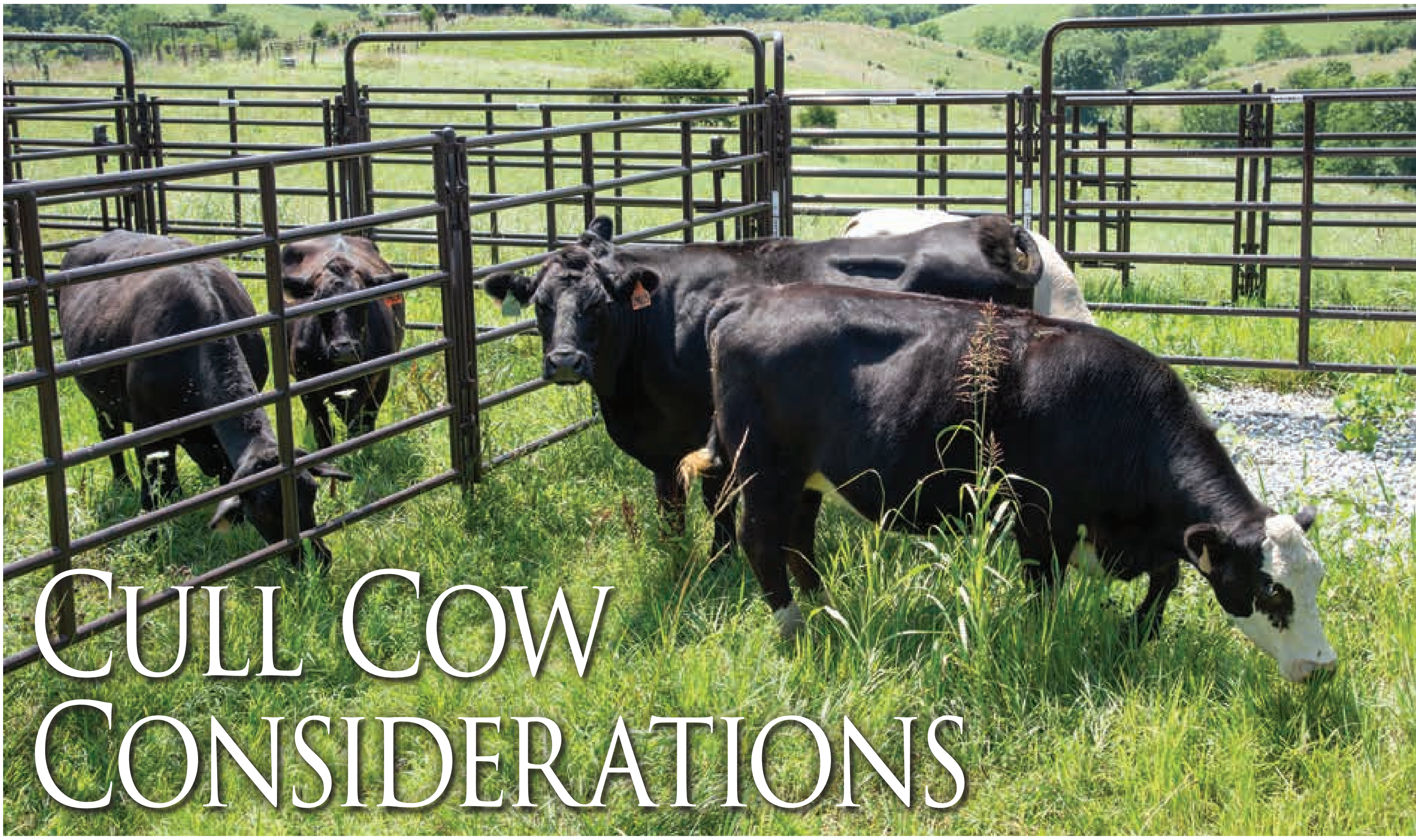

Cull Cow Considerations

Above: Regardless of whether producers are interested in retaining open cows for rebreeding or to increase their value as slaughter animals, it's important to know the costs and have a marketing target identified.

Add value to cows exiting the herd.

by Troy Smith, field editor

It's the default position — the typical course of action taken by plenty of cow-calf folk. After the calves have been weaned and the breeding herd has been evaluated for pregnancy, cows found open or otherwise unsuitable are trailered to the sale barn. For some operations and for some kinds of animals, that might be the best way to market culls. In a good many cases, though, it's probably a method chosen out of convenience.

It's definitely more convenient for the Hubbard family to put wheels under some individuals winnowed from their Shannon Creek Ranch's spring-calving cow herd. For reasons related to age or unsoundness, expedient marketing is preferred. However, the Olsburg, Kan., outfit sifts the cull pen first, sorting out groups of cows suited to management strategies that can increase market value.

Shannon Creek Ranch has long raised and sold replacement-quality females. They realized their youngest open cows might fit other producers' fall-calving programs. Rather than sell them as weigh-ups, cows 5 years of age or younger are exposed to bulls again, and the bred cows are marketed as fall-calvers.

"It can turn an open cow worth $600 or $700 into a bred cow worth $1,300," says Alan Hubbard, noting how the same strategy is applied to replacement heifer candidates that fail to become pregnant during their initial breeding season.

While still destined for slaughter, older "opens" with added value potential have been managed in a couple of different ways. Instead of selling them right after fall preg-testing, some open cows have been retained and grazed on crop residues or stockpiled grass long enough to increase weight and grade. Marketing for these cows is delayed until prices are seasonally higher.

About four years ago, the Hubbards also began feeding a finishing ration to open cows, with an eye on the "Premium White" market. Slaughter animals reaching this highest mature-cow marketing class earn premium prices.

Capturing value not easy

Thanks to the availability of cost-competitive feed resources and savvy management, and by paying attention to market trends, Shannon Creek Ranch has made such strategies work. Still, Hubbard warns that adding value to an open cow and then capturing that value is not necessarily easy. Regardless of whether producers are interested in retaining open cows for rebreeding or to increase their value as slaughter animals, it's important to know the costs and have a marketing target identified.

South Dakota State University Extension Specialist Julie Walker says there is profit potential in rebreeding open females with some productive life left in them and selling them pregnant. This may be particularly for young cows, and especially during periods that the country is


PHOTO BY BECKY MILLS

experiencing breeding herd expansion.

"But remember there are other reasons to cull a cow besides being open — things like bad disposition, poor performance or unsoundness. Don't pass problems on to someone else," advises Walker.

"Probably the first thing to ask yourself, though, is whether there is enough marketing potential," Walker adds. "If you have a spring-calving herd and you're wanting to turn viable open cows into late-summer- or fall-calvers, are there going to be buyers in your area? If not, where will you market them?"

Assuming there is a market, Walker advises careful consideration of the costs of rebreeding cows. A spring-calving outfit likely has bulls that, if they are rested and in condition for breeding, could be put to work in the off-season at small cost.

Artificial insemination (AI) could result in higher breeding costs, so Walker is wary of AI for rebreeding strategies. Having the cows bred to AI sires would have to boost bred-cow value enough to warrant the extra expense. After breeding, producers will also have to pay the cost of pregnancy detection of rebred cows — perhaps by a method offering early detection. Don't forget labor costs, which will vary among operations and the management systems applied.

Big ticket: feed expense

Walker says no producer should be surprised that the big cost consideration is feed. Grazing the cows on crop residues or winter pasture, with appropriate supplementation, usually is most economical. Low-cost harvested feeds may be an acceptable alternative, but remember that feeding cows adds to machine and labor costs.

In Walker's experience, most producers choosing to rebreed opens from a spring-calving herd need sufficient feed resources to overwinter cows for 90 days-120 days, until a targeted marketing period is reached.

"If you don't already have the feed, I wouldn't do it," cautions Walker. "But each producer ought to put a pencil to it."

Producers also ought to have a fair idea of what their rebred cows would be worth when marketed. A simple analysis of a rebreeding enterprise would then involve subtracting open cow value from expected bred cow value. If the difference is greater than the total of all expenses associated with feed, breeding, labor, etc., the rebreeding enterprise should be profitable.

It was noted previously that young cows could be the most likely candidates for a rebreeding program. Noble Research Institute Professor and Economist Jon Biermacher says studies by the Institute and anecdotal evidence suggest returns from younger rebred cows are greater. They often have been the kind sought after by buyers sourcing females through "special bred cow sales."

The Premium White market category applies to slaughter cows that are pretty young, pretty fat and pretty uncommon.

However, Biermacher contends that cows don't necessarily have to be young to be rebred and marketed at a profit.

"There is a market for older bred cows," he explains. "The price is lower after they get above 5 or 6 years old; but nonetheless, smaller producers will buy older bred cows."

Biermacher agrees that profit potential exists in the retention and rebreeding of open cows when producers have access to low-cost pasture or feed, access to rested breeding bulls and a favorable bred-cow market. The latter depends on a seasonal price difference between the time that cows were found open in the fall and a spring sale date.

The objective of delaying marketing of cull cows is to take advantage of higher prices, but also to add value by improving cow body condition.

Slaughter cow market

Slaughter cow prices usually follow a seasonal pattern, declining through the fall when most culls from spring-calving herds go to town. Prices usually increase as the supply of slaughter cows declines from January through March or April, and then stabilize until the next fall. The objective of delaying marketing of cull cows is to take advantage of higher prices, but also to add value by improving cow body condition.

Slaughter cows are categorized on the basis of percent lean meat they are expected to yield. Muscling matters, but so does a cow's relative fatness. Generally, the term *Breakers* applies to fleshy cows with body condition scores (BCS) of 7 or higher and high dressing percentages. *Boners* are cows considered more moderate for both condition (BCS 5-7) and dressing percentage. Thin cows (BCS 1-4) are classified as *Leans* or *Lights* and are expected to post lower dressing percentages.

There is yet another market category called *Premium White,* which applies to slaughter cows that are pretty young, pretty fat and pretty uncommon. The class is so named because its high-quality carcasses boast white fat, indicating the animals consumed a high-grain diet for a significant period of time prior to slaughter. Animals on a forage diet typically produce carcasses with yellow fat.

Producers who understand the market classification system can see how there can be opportunity to enhance the value of cull cows by improving body condition. Cows that are thin but have moderate to heavy muscling may be managed to add weight and enough condition to move them from *Lean* to *Boning* class, for example, thus earning a higher price per pound.

Chasing the bonus offered for Premium White cows is more challenging for most producers. Generally speaking, cows must be fed a high-energy ration for at least 60 days.

Biermacher says the producer most apt to be successful is one who can feed a low-cost ration and market truckload lots to a buyer offering a prearranged pricing arrangement.

For most cow-calf operations, it probably makes more sense to sell fleshy open cows of BCS 6 or greater as soon as the culling decision is made, preferably at weaning. There is less opportunity to add value to cows already carrying plenty of condition. According to Biermacher, studies suggest greater opportunity exists when cows in thin to moderate condition are retained for 120 days or so and grazed on low-cost forages. He sees this as a viable strategy for small operations.

"Yes, I think there can be value in retaining open culls for these operations, if they can accurately sort their culls into thin versus heavy groups based on body condition score, if they find really cheap sources of feed and if they keep their eye on slaughter cow prices," says Biermacher, noting that prices do not always follow the typical seasonal pattern.

Regardless of the strategy chosen for improving income from cull cow marketing, Biermacher says, "It's all about availability of resources, cost management and keeping a close eye on the markets."

Editor's note: Troy Smith is a freelance writer and cattleman from Sargent, Neb.