



BOOSTING TRADE-IN VALUE

Don't take cull-cow value for granted.

by Madi Baughman, editorial intern

When trading in a vehicle or piece of farm equipment, what's on your to-do list? Cleaning, making repairs, maintenance, maybe even touching up the paint to help the outward appearance? But why spend time doing this?

It adds to the trade-in value.

Just as you can add to the trade-in value of vehicles or equipment, producers can find ways to add value to their cull cows, whether through strategic culling or strategies to prepare those cows for market.

On the back burner

"Producers typically don't think of a cull cow as a valuable entity in their operation," says Lisa Pederson, North Dakota State University (NDSU) livestock specialist.

Derrell Peel, Oklahoma State

University (OSU) agribusiness professor, agrees, noting that once producers have made the decision to cull cows, they usually just want them out of their herd.

But cull cows have a significant economic role in their business.

"For a typical cow-calf operation, over a period of years, cull cows

and bulls will represent an average of almost 20% of your income," Peel says.

Both extension educators recommend producers take the time to consider how they can make the most of this resource.

Strategic culling

When considering whether or

not to cull cows from the herd, Pederson says producers often think of the three O's: open, old or ornery. While these are important factors to consider, producers can improve the economic value of their cull cows, as well as the quality of their herd, by considering other factors, as well.

Deciding which cows to cull should be a year-round endeavor rather than a seasonal event, Pederson says. By considering genetic factors, feet and udder condition, and even reproductive value when culling, producers can utilize this process to improve their herd, she adds.

Timing the sale

Once producers have chosen which cows they are going to remove from the herd, Peel recommends analyzing the market to determine when to sell.

"The cull cow market is very seasonal," Peel observes. He notes the peak is typically in the spring, with the low being in fall.

Consider supply and demand factors. The Sept. 4 *Livestock Monitor* published by the Livestock Marketing Information Center (LMIC) at www.lmic.info, observed prices for cull cows typically begin to erode quickly in late September and drop throughout November, with "the lowest prices in the last two months of the calendar year, when most U.S. cow-calf operations cull cows."

Of course, outside influences such as drought, fire or a national pandemic can disrupt or magnify seasonal culling patterns at a regional or a national level.

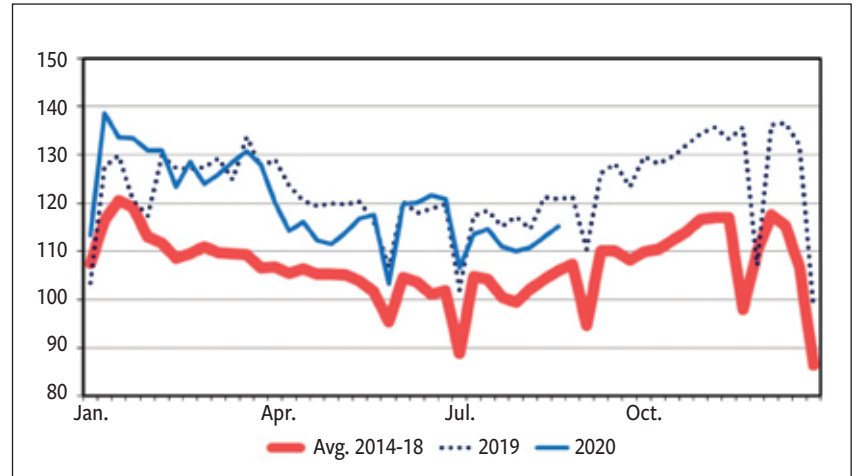
Plant closures, consumer demand for 90% lean

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Fig. 1: Total federally inspected weekly cow slaughter (1,000 hd.)



SOURCE: USDA-AMS & USDA-NASS, Livestock Marketing Information Center.

ground beef and limited imports combined in spring 2020 to create demand for lean cows that would dress well, even as the fed cattle market tumbled, Pederson said. Producers had opportunity to take advantage of the market and sell some of their lean cull cows.

Adding value

Understanding seasonal highs, Pederson says, allows producers to better time when they sell, but also to prepare the cattle to achieve optimal market value when they do sell.

After deciding which cattle are to be culled and when they will be marketed, a producer can employ several strategies, depending on the type of cattle, to add value to those animals, Pederson says.

Ensuring cattle can walk and stand on all four legs, are not visibly sick or injured, and meet all withdrawal times are crucial to gaining credibility with the packers buying those animals, she says.

“I always challenge my producers, ‘Would you feed your family what you just loaded into your trailer? If the answer is no, you need to reevaluate,’” Pederson says.

Establishing a good relationship with the plant and buyer of your cattle to see when they want cows coming in and what type of animal they are looking for can also be useful, she adds.

Feeding considerations

For cattle going into certain

product market chains, feeding them before taking them to market may be a wise way to increase worth, Pederson says.

This can be quite challenging, notes Peel, because cull cows can have very low feed conversion rates. He suggests utilizing medium- to low-quality hay can actually increase value of both the animals and the forage. Because these cows make up a percentage of a farm’s income over the years, Peel says even just keeping them an extra 30-45 days may be enough to increase their end value.

Salvaging value

“Producers are so focused on the calf part of the cow-calf operation, they don’t always look at the economics of that cow over a lifetime,” Peel says.

Though this is true, Peel and Pederson both note the significant contribution strategic culling can make to both the economics and overall value of beef cattle operations.

While “trade-in” value of cull cows may not seem like a huge difference at the time, innovative producers who continue to raise the tide are the ones who will be successful in the future of the beef industry. They find ways to capture worth even in the most unlikely of places. |

Editor’s note: Madi Baughman was the 2020 editorial summer intern for Angus Media. She is currently pursuing an ag communications degree at Oklahoma State University.