



Back to Basics

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Factors influencing the value of bred heifers

Watching video sales, one sure sees a wide variation in the value of commercial bred heifers, anywhere from \$850 to \$1,400. A large portion of this price differential is certainly due to genetic quality and reputation. However, a good portion can also be attributed to other criteria.

As with all marketable items, producing what the customer wants adds value. I recently discussed factors determining the value of bred heifers with several sales representatives of the leading video and Internet sales companies. In this issue of "Back to Basics," we'll discuss their recommendations and take a look at a sample sales description that would demand top dollar.

According to Ellington Peek, owner/manager of Western Video Market, "Genetic quality and uniformity are probably number one in determining the value of bred heifers. This is followed closely by the integrity and reputation of the seller. This holds true if selling bred

heifers, calves, used cars or ice cream. It takes a lifetime to develop a reputation that is filled with integrity, but it only takes one misleading or bad deal to be branded with a bad reputation. It is very important to represent cattle correctly in the sales description. Be honest in the description and live up to the terms you have described. There should be no surprises come delivery time."

Jim Davis, sales representative for Superior Livestock Auction, agrees with Peek and goes on to state, "To fetch top dollar in the bred-heifer market you have to start with quality heifer calves that are uniform in age, frame size, muscle, color and weight. If you intend on using the bottom end of your heifer calves to put together a load of bred heifers, do not plan on receiving top dollar. Most people keep the best and sell the rest. Buyers know this and bid accordingly."

Reputation genetics

Gary Nolan, Nevada sales representative for Western Video Market,

has observed through the years that bred heifer sellers who have a reputation for buying and using top-end bulls do pretty well in the bred-heifer market.

"Artificially inseminating (AIing) to name-recognizable, high-accuracy, calving-ease bulls will demand top dollar, provided all other value-added criteria is met," he says. Nolan warns that AI programs also add additional input costs, which may surpass added value. He recommends uniformity in the entire load.

"Keep the outliers out. Do not try to slide a late-calving heifer, one or two reds with a load of blacks, a few young and smaller-framed heifers with the opposite," he says. "This all takes away from the value of the load. Pull the outliers out even if it means a light load."

Spike Reese of Superior Stampede advises having extra heifers to pick from as a value-added option.

"If you describe 50 heifers with a base weight of 1,000 pounds (lb.) in the sales description and can offer a seller his/her pick from 60, this adds value," he explains.

Vaccinations and health protocols are pretty straightforward, Reese says. "Heifers should be vaccinated according to label, with a minimum of an MLV (modified-live virus vaccine) four-way,

two shots of trichomoniasis (in the western states), vibriosis, leptospirosis, two shots of seven- or eight-way, and dewormed. Some lots of bred heifers are now being sold guaranteed BVD-free. This also has the potential to add value."

Steve Lucas, Western Video Market representative, says base weights of 1,000 lb. seem to sell the best.

"This heavier weight indicates that the heifers are properly developed and have growth potential," he explains. "However, there is a market for smaller-framed heifers that weigh 900 pounds plus, provided the heifer is in a body

condition (body condition score, BCS) of 6. This indicates the heifer is developed for its genetic smaller frame."

Allie Bear, Superior Livestock Auction representative, says there is more of a demand for spring-calving bred heifers

delivered Dec. 1 or later. This is primarily due to winter feed cost savings to calving. Allie also says a 45-day or less calving interval starting in late February to early March demands the best price.

"Cowmen like to calve heifers 30 days prior to their mature cows. There is only a small market for April-calving heifers," Bear says.

Will Cockrell, rancher and Western Video Market representative, says, "There are other factors that affect the bred-heifer market on the demand side,

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Description of top-dollar lot of bred heifers

Consigner: Reputation Nevada ranch that buys top-end bulls

Number of head: 50 with your pick from 60

Sex: March 2007 heifers born in 45-day calving interval

Base weight: 1,000 pounds (lb.)

Location: Five miles off I-80 near Elko, Nev. Paved roads to newly remodeled corral and loading chute, one mile off gravel to chute.

Origin: One hip iron, no waddles or ear marks, ranch-raised and -developed.

Age- and source-verified: no, but can be

Breed description: Registered black Angus bulls sired by [name of bull stud] AI bulls [name of bulls].

Delivery date: Dec. 1, 2008

Frame: Medium

Flesh: BCS 6

Implants: No

Feed: Mineral, native meadow and 2 lb. cubes since Oct. 1

Variance: Even

Weigh conditions: Early a.m. gather, weigh on the ground with a 3% shrink

Vaccination history: Administered 7-way, Vira Shield® 5, trichomoniasis, vibriolepto, Ivomec® injectable, according to label and Beef Quality Assurance (BQA).

Brief comments: Fancy set of all black heifers heat-synchronized and AI-time-bred to [name of bull] [calving ease direct (CED) +13 and top 3% of Angus breed for calving ease] on May 20. Heat detection and AI-bred to same sire on second cycle. Three registered sons of [name of bull] used as cleanup bulls for the third cycle. Bulls pulled July 5 for a 45-day breeding period. Dams of these heifers have small to moderate teat sizes and well-suspended udders, even as aged cows. These cattle have a good temperament and are pleasant to be around. We cull heavily for these traits.

such as drought, high fertilizer and feed costs, number of bred cows offered for sale during the same time, number of heifers offered for sale simultaneously with yours, economic status of the cattle market and if the industry is in a building phase or not.”

Tom Barnes, Superior Stampede, maintains that given the cost of transporting these heavier animals, the location of delivery certainly influences value as well as the quality of facilities at the pickup site.

“Timing the sale of the cattle is important,” Barnes states. “For example, listing the lot too early will remove those potential buyers that have not yet sized their replacement needs up after pregnancy-checking. Listing too late may remove those buyers that have already filled their replacement needs,” Barnes concludes.

Mark Venturacci, a Western Video Market representative, advises, “There are many management practices such as pelvic measurement, ultrasound pregnancy testing, no implants, sexed fetuses, one-iron cattle that are hip-branded only, no waddles or ear marks, good disposition of cattle and age and source verification that have the potential of adding value but also may add unrecoverable input costs.”

Help market your cattle

Flint Wright, Superior Livestock Auction sales representative, suggests you assist your sales representative to promote your sale heifers as effectively as possible.

“Do not leave it all up to your sales representative,” he advises. “Make some calls on your own and help promote your product. Generally, producers spend 365 days a year producing their product and usually one day a year marketing. This has to change if you want top dollar.”

Take the time at pregnancy-checking time to collect some quality video/photo footage of just the sale heifers.

“Leave out the dairy cow and the odds and ends at the barn. Remove the outliers. Film only the sale animals,” advises Bill Freeman of Superior Stampede.

“Keep the junkyard out of the background. Falling-down corrals and poor fences are a poor background for your video/photo footage. Background scenery leaves a positive or negative impression with potential buyers. The appearance of your ranch indicates your management style and the pride you take in your ranch and your product. Show your ranch’s best side and the best side of the cattle, even if it means taking the time to trail cattle to an area that has a great mountainous scenic background.”

All sales representatives interviewed agreed that the accompanying sample sales description (see “Description of top-dollar lot of bred heifers”) would bring top dollar. The description hits the target to appeal to numerous buyers. “That is what you want, more than one buyer bidding on your cattle,” state Rick Machado and John Rodgers,

successful auctioneers at many auctions throughout the West.

Kevin Devine, Western Video Market representative, warns sellers to keep in mind that there is no guarantee that these suggested inputs will result in a return on investment. These suggestions may add value to the lot, yet may not cover the added input cost.

“It is in the buyer’s best interest to

purchase a set of cattle as cheaply as possible just as it is in your best interest to sell as high as possible. It is also in your best interest to only offer those inputs that yield a rate of return, thus keeping your input cost down. On the other hand, there is certainly some benefit to one’s reputation by doing everything right.”

As you may have gathered from

reading this article, fetching top dollar takes effort. Are you up for the challenge? As always, if you would like to discuss this article or simply would like to talk cows, do not hesitate to contact me at 775-738-1721 or torellr@unce.unr.edu.



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