



Back to Basics

by **RON TORELL**, *livestock Extension specialist, University of Nevada, Reno*

The four-weight calf

It doesn't make much sense that a 470-pound (lb.) calf brings \$1.50 per lb., or \$705 per head, while a 570-lb. calf brings \$1.23 per lb., or \$701 per head. Why is the lighter-weight calf worth more per head than the heavier-weight calf? Cattle sold on the video auctions last summer and fall sure brought this to light.

Marketing is always a function of supply and demand. When a product is in short supply with strong demand, we see a strong market. Conversely, when a product is in large supply with weak demand, a soft market occurs. So why is there such a strong demand for these four-weight calves compared to the five-weight calves?

Time of delivery is a big factor

The central California and southern wheat-pasture grazing seasons begin in mid-November and run to mid-May — a period of approximately six months. The typical gain for the six-month period will range from 250 to 300 lb., with heifer

calves gaining approximately 25 lb. less than steer calves. Normally, 40% of the season's gain comes in the first four months of the grazing season, while 60% of the gain is realized in the last two months. This coincides with the rains and warmer temperatures, which promote the best plant growth.

Another big factor is the ability to "cheapen cattle up" by double-season grazing lightweight calves prior to entering the feedlot. This cannot be done with the heavier-weight calf.

California buyers run a lot of double-season cattle. In other words, they buy a light calf and graze that calf in California from mid-November to mid-May, then truck that seven-weight animal to Oregon or Colorado for spring grass.

The eight-weight animal enters the feedlot in July or August in hopes of catching the November or December fat market. This is usually a strong fat market primarily due to low supply and strong demand. It is for this reason that buyers prefer four-weight calves compared to

five-weight calves, provided conditions of sale are what they want.

Premium conditions

According to Rick Machado, auctioneer for Western Video Market Satellite Cattle Auctions, conditions that seem to bring the premiums on the video markets are as follows.

- Delivery date of late November or early December
- Volume loads — quantity has a quality all its own
- Uniformity in size and color — all calves should weigh close to the average
- The four-weight calf that is green — in other words, not packing a lot of flesh
- Calves that have excellent genetics with the potential to grow
- A minimum of a 45-day postweaning period
- Calves that have had modified-live virus (MLV) four-way and seven-way shots

- A seller's reputation
- Weighing conditions at the time of purchase
- Transportation costs or distance to grass

According to Allie Bear of Superior Livestock Video Auction, premises-identified cattle with third-party age and source verification will, in all likelihood, add value in the future. Additionally, anything you can do to make cattle attractive as a group adds value. Things such as hip brands are preferred to rib brands, no waddles, limited earmarks, and uniformity in color all add value. Remove the outliers from the load because they will detract from the product. All these factors make it easier for buyers to market cattle down the road as yearlings.

"Economy of size is true with the buyers of our cattle as well as sellers," Andy Peek, Western Video Auction, says. They need numbers to fill their grass and feedlot needs.

Take for example the Lasgoity family in Madera, Calif.; Rich Rice and Jeff Sparrowk Livestock in Clements, Calif.; and Duane Martin Livestock in Lone, Calif. These ranchers have a collective carrying capacity of more than 40,000 head. There is also Harris Ranch Feedlot near Coalinga, Calif. Harris Ranch has a one-time capacity of more than 120,000 head with two turns in one year.

Many of the 150,000-plus calves and yearlings purchased each fall to fill these California buyers' stocking needs originate from Nevada.

Four-weight vs. five-weight calves

What makes this four-weight vs. five-weight situation ironic is that by striving to produce the heavier calf, we have cut our own throats. No. 1, the heavier calf is more expensive to produce because of increased cow carrying costs associated with earlier calving dates. Secondly, the five-weights have no good home in the fall of the year. They are too big to double-season and cheapen up. They are too small to enter the feedlot because they will be market-ready during the depressed midsummer fat market.

The four-weight December-delivery calf is becoming harder to find. Supply is low and demand is high for this class of animal. So why do we continue to calve in March and produce the lower-valued five-weight calf? By calving in March we are fighting Mother Nature in our efforts to produce more pounds across the scale. These added pounds cost more to produce, so why not give the buyer what they want, lower our production costs by calving in April and May, and increase our bottom lines?

According to Randy Blach of Cattle-Fax, "The trend of higher-valued lightweight calves for late fall delivery probably will not hold at the levels we experienced in 2005."

However, given the selling conditions outlined earlier in this article, these calves will always demand a premium as long as feed prices do not increase significantly. California buyers used to get lightweight, eared cattle out of Mexico to fill winter California grazing pasture needs.

With emphasis placed on feedlot performance and end-carcass value, California buyers are now looking for a quantity supply of quality cattle within the U.S. that can be age- and source-verified. You have to have a quality product to sell as a yearling or on the rail, and the only way to do that is start with a quality product.

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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Author's Note: Portions of this article were compiled from information provided by Clell Bagley, Utah State University veterinarian; David Thain, Nevada Department of Agriculture state veterinarian; and meat inspectors with the USDA inspection service.