

# The Source



by **GINETTE KURTZ**, *American Angus Association*

## How do you sell your calves for what they are worth?

Think about how you make buying decisions. Let's use your pickup as an example. Do you study *Consumer Reports*, obtain CarFax information or read the *Kelly Blue Book*? There is as much or as little information available as you want to obtain on your potential purchase.

When margins are narrow most people look closely at the amount spent vs. amount of return. Buyers will study data and information closer when the profit margin is small. During the past year, low profit margins at the feedlot and packer levels seem to be in the headlines often.

You sell your calves one time a year; marketing strategies are year-round.

How do you sell your calves for what they are worth?

### Figuring their worth

What they are worth to you may be different than what the buyer thinks they are worth to him. What do buyers want? They want to make a profit. They want cattle that have a high average daily gain (ADG) and a low feed-to-gain ratio, for starters. Many buyers look for calves

that are at least 50% Angus genetics, grade Choice and have a yield grade of 3 or less.

Your marketing plan starts when you purchase your registered-Angus bull. At what weight do you plan to sell your calves? Is this bull going to improve your carcass traits, weaning weights or your rate of gain? Look at the bull's expected progeny differences (EPDs) and talk with your seedstock producer to determine if this bull fits your program.

Continue to add value to your calf crop with added management.

Buyers look for load lots of even, uniform calves to fill their feedlot pens. Closely managing when the bull is with the females will produce a calf crop born in a narrower calving window.

Buyer interest in preconditioned calves will grow so they can decrease their risk in the feedyard. Reports show weaned, castrated and vaccinated calves have increased value. Calves weaned for at least 45 days will have less shrink (5%-7%) as compared to non-weaned calves (10%-15%). Calves need to learn how to grow up and eat from a bunk and drink from a water

tank. Use a vaccination program to decrease the number of sick calves and the death loss. Sick calves don't gain well, and the ability to have a high-grading carcass is lowered.

Buyers look for good, quality genetics and calves that are at least 50% Angus. Performance and carcass information collected on 50 groups of known Angus-sired calves that were fed in Kansas and Nebraska showed the Angus-sired calves graded 79.7% Choice and Prime as compared to 56.1% for the rest of the region.

### Time to sell

It's time to sell your calves. How do you set your calves apart from all the other black-hided calves going through the salering? How do you let the buyer know about the quality Angus genetics you have invested in your calf crop? How do you convey the preconditioning information like vaccinations and feed rations?

AngusSource Genetic is the answer. Calves enrolled in AngusSource Genetic must be sired by a registered-Angus bull, have a known group age and be born on the ranch of origin. Once calves are enrolled, the calves are designated by an AngusSource Genetic ear tag and marketing document.

The neon-green tamper-evident Destron Fearing ear tag shows calves that are enrolled. Producers have the option to purchase a visual, e.Tag or ChoiceSet. Each tag includes a 15-digit animal identification number (AIN) that meets interstate traceability requirements.

The new updated AngusSource Genetic marketing document conveys valuable information to buyers.

Now all AngusSource Genetic marketing documents feature a replacement-female value and a feeder-carcass value. The replacement female value is the sires' average \$W (weaned calf value) of the enrollment group. This genetic index value is expressed in dollars per head associated with preweaning performance in a cow-calf operation, including both revenue and cost adjustments associated with calving ease, weaning direct growth and maternal milk and mature cow size.

Feeder-carcass value uses the average of all enrolled calves sires' \$B

(beef value) value. Also a genetic index value expressed in dollars per head, this is associated with postweaning gain performance in the feedlot, combined with value differences in carcass merit.

You will also find a %Rank after the new values. This number is the ranking of the average American Angus Association breed genetic-index value for the sires represented on a percentile basis from 1 to 100.

Here is an easy example. The percent rank is 10% — this means they are in the top 10% of the breed.

Now recall this is the average of the sires' EPDs; we do not obtain information on the dams of the calf crop. The document also lists the source and group age that has been verified by the American Angus Association.

Producers have the option to include even more information on the marketing document. They can list when and where the enrolled calves will be selling, vaccination products and dates, castration, implants, designate calves as natural, include past carcass information and much more.

This brings us back to the original question. How do I sell my calves for what they are worth?

No matter if you are buying feeder calves, replacement females or a new truck, you want the most for your investment. The data and information the American Angus Association can provide your buyer is not much different than CarFax. It provides buyers with an insight into at least 50% of your calves' genetic makeup. Additionally, if you continue to enroll in the program and keep your own replacement heifers, you could use past documents to determine the genetics of your cow herd.

With profit margins being much smaller than in the past, buyers will look much closer at genetic quality before they bid. If you want what your calves are worth, you have to market and promote your product. If you don't give the buyers all the information to make that important buying decision, who will?

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**Editor's Note:** *Ginette Kurtz is quality manager of AngusSource for the American Angus Association.*