



# Outside the Box

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## Capture the value of market cows, bulls

While the majority of revenue generated by the cow-calf enterprise is from the sale of calves, approximately 15%-20% is generated from the sale of cows and bulls that have been culled from the breeding herd. In fact, cow harvest accounted for 16% of the total beef harvest in 2004.

For all the challenge and risk inherent in the marketplace, it makes sense that a significant investment of energy should be placed on maximizing the value of these animals. Improved management and timely marketing of cull cows can increase income by some 5%-10%, with almost no additional cost. As of the end of July 2005, Utility-grade cow prices had averaged more than \$50 per hundredweight (cwt.) for 17 consecutive months. As we enter into the late fall months and into the early stages of 2006, there will be opportunities to increase income

streams via strategic marketing of cull breeding stock.

At August prices, a market cow that graded Utility generated \$625-\$675. Just three years ago, the same female grossed \$450-\$500. A cow that misses the Utility grade target and is stamped Canner-Cutter will typically bring \$50-\$60 less.

Coupled with the 1999 National Non-Fed Beef Quality Audit estimate that correctable defects in the non-fed cattle population were costing the industry nearly \$70 per head, strategic management of market cows and bulls becomes a higher economic priority.

### Plan your strategy

Capturing the full value of market cows and bulls depends on developing a well-planned strategy that takes into account desired herd size, culling criteria, market timing and profit goals of the enterprise. The National Market

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Cow and Bull Beef Quality Audit directed producers to:

- recognize and maximize the value of market cows and bulls;
- be proactive to ensure the safety and integrity of beef products originating from these animals;
- use appropriate management and handling practices to prevent quality defects; and
- closely monitor herd health and market cull cattle in a timely manner.

In short, the goal is to manage, monitor and market for value.

The primary factors that will reduce the value of nonfed cows and bulls include disease condemnations, injection-site lesions, bruising, arthritic joints, too much or too little fat, inadequate muscle, and yellow fat. In each of these instances, with perhaps the exception of muscle, management practices and early identification of problems can provide opportunities to capture increased dollars.

A disciplined culling strategy should be developed in association with current market conditions. Given cow prices in 2005, this is a good time to put selection pressure on disposition; feet, leg and hoof structure; and udder and teat structure, as well as removing females with undesirable reproductive performance.

To minimize carcass trim losses, it is important that producers assure facilities, handling protocols and transportation systems are focused on minimizing bruising, as well as using Beef Quality Assurance (BQA) guidelines in the administration of animal health care products to avoid injection-site blemishes. Cow carcasses that meet the criteria of the white fat trade typically trade at higher prices. To capture this advantage, producers need to evaluate the cost-benefit relationship of feeding cows a high-energy diet for a minimum of 60 days.

Sorting cows into appropriate management and marketing groups at the time of culling is essential. Monitoring weight gain and body condition score (BCS) every 14-28 days is one way to assure that market cows are responding to the feeding regime. Cows that are not gaining weight should be marketed immediately. Cows with physical problems, such as chronic lameness, should be marketed sooner rather than later to avoid additional value losses. Remember — early intervention or culling is essential to maximize returns.

### Ethical marketing

Beyond our own economic goals, we owe it to our industry to market cull cows and bulls while those animals are relatively sound, in good body condition and in a state of general good health. Think back to the negative images that have been exploited by industry critics — in most cases, these involved cull animals in poor condition that were non-ambulatory or showing signs of disease.

The Quality Assurance Marketing Code of Ethics provides a framework in which to make decisions.

*I will only participate in marketing cattle that ...*

- do not pose a known public health threat;
- have cleared proper withdrawal times;
- do not have a terminal condition;
- are not disabled;
- are not severely emaciated;
- do not have prolapses;
- do not have advanced eye lesions; and
- do not have advanced lumpy jaw.

*Furthermore, I will do everything possible to humanely gather, handle and transport cattle in accordance with accepted animal husbandry practices.*

*Finally, I will humanely euthanize cattle when necessary to prevent suffering and to protect public health.*

Market cows and bulls are important to the beef supply and to the economic health of individual cow-calf enterprises. Treating them as an enterprise instead of a byproduct can increase economic returns while serving notice to the public that good animal husbandry practices are alive and well in the beef business.