

In The Cattle Markets*

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Cull Cow Marketing and Early Weaning

Most markets for different classes of cattle exhibit some degree of seasonality. Regional supply and demand factors interact to produce prices that are seasonally high and also seasonally low. The market for cull cows has the most consistent pattern. Over the last 10 years, cull cow prices have been lower every year in November than in late August-early September in the western Nebraska-eastern Wyoming market. In some years, prices have declined as much as \$7 per cwt. over this time frame and the average decline has been just over \$4 per cwt. On a 1200 pound cow, that is a decrease in revenue of about \$50 per cow.

This year many cow-calf producers are facing severe pasture shortage because of drought. Weaning now and selling all cows that will be culled will not only reduce pressure on scarce grazing resources, but will likely increase the revenue received for the cull cows. Prices for the cows will likely be higher now than in November. The cows also will likely lose body condition and weight between now and November, unless the cows are supplemented with additional feed resources.

Weaning calves now should not create any major health challenges for the calves. In fact, weather is less variable now than in October and November when most producers typically wean. However, the weaned calves will be 75-100 pounds lighter. This presents another marketing challenge for producers. Selling a 450 lb steer for \$1 per lb. will result in less total revenue (\$450) than selling a 525 lb steer for \$0.92 per lb. (\$483). If your steer calves currently weigh 375 lbs., selling them for \$1.10 per lb. would yield a total revenue of \$413 per head. Cow-calf producers need to examine their own feed resources and evaluate the cost of purchased feeds to determine if net revenue can be enhanced by feeding early weaned calves an additional 45 to 100 days before marketing them.

For those producers who typically retain ownership of calves beyond weaning, weaning calves early may present less of a challenge. Initial feeding rations may need to be altered. For example, if you normally wean calves and then put them directly in the feedlot to be slaughtered as calf feds, then these lighter calves may need to be on a grower ration for a period of time before being fed a finishing ration.

The Markets

Slaughter cattle prices were steady to \$1 higher last week, with the bulk of the trade occurring on Friday in the southern plains at \$64 to \$65 and trade occurring on Thursday and Friday in the north at mostly \$102 dressed. Nebraska slaughter steers (35-65% Choice) averaged \$101.97, dressed weight, compared to \$101.62 the previous week. USDA's weekly weighted average price for Kansas slaughter steers (35-65% Choice) was \$64.47 compared to \$63.86 the previous week. USDA's estimate of the light Choice boxed beef cutout was \$112.20, up \$2.07 from the previous week. The light Choice-Select spread averaged \$7.29, compared to \$7.11 the prior week. Average feeder cattle prices across Nebraska auctions last week were \$1-3 higher, with 700-800 pound steers averaging \$85.07 and 500-600 pound steers averaging \$94.59. Prices across Kansas auctions averaged 81.47 and 88.96 for 700-800 and 500-600 pound steers, respectively.

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