

A Marketing Plan for 2015

Andrew P. Griffith

It is never too early to start developing a marketing plan for the current calf crop and the next anticipated calf crop. February is a prime time to develop a marketing strategy for the 2015 calf crop regardless if the herd is a fall, winter or spring calving herd. Fall calving herds and winter calving herds are either near the end of the breeding season or in the middle of the breeding season while spring calving herds are preparing for the start of calving season.

Every producer starts a marketing plan during the breeding season whether the producer is conscious of the decision or not. For instance, producers with Continental breeds will likely have a slightly different marketing strategy compared to producers with English breeds. The sire selection decision is a major decision as producers approach the breeding season. Producers in the Southeast have been successful marketing cattle deriving from English breeds, Continental breeds, and exotic breeds. However, careful consideration in breed selection is necessary while identifying the market for the cattle.

Many producers already have an established genetic package as it relates to breed. Additionally, many producers already have a reliable marketing method which might include private treaty, auction market, feeder cattle alliance, or even retained ownership through the feedlot stage. Many producers think of the marketing method as the marketing plan. However, a marketing method is not a marketing plan.

A marketing plan includes all the production and management decisions made by the producer and is then linked to a marketing method. Is that the end of a marketing plan? For many producers the answer is yes! However, some of the most successful marketing plans require a producer to go one step further. The one additional step is communicating with the purchaser of the cattle to gauge their satisfaction and to identify areas of improvement to make their purchase of cattle a more pleasurable experience the next time. This is important because a repeat buyer is a good sign and likely means the cattle are highly marketable.

For instance, feedlot managers recognize when a pen of cattle performed well in their feedlot. When a feedlot is successful with a group of cattle then they generally prefer to go back to the producer and purchase those cattle again. Similarly, if a commercial cow-calf producer has success with a breeding bull from a seedstock producer then the commercial producer is more likely to purchase another bull from the seedstock producer while the opposite is true if the experience is poor. Thus, the last part of a marketing plan may require communicating and developing a relationship with the folks purchasing the cattle.

Many of the decisions going into the development of a marketing plan are fixed, meaning they cannot be changed once they are made. However, a good marketing plan is fluid and constantly being reevaluated. The key for a producer is to institute management practices that add value to the animal and that open the door to as many marketing methods and avenues as possible.

The one decision many producers contemplate every year is the timing of marketing calves. Many producers market calves at weaning which is a common practice. However, just because something is common does not mean it is the best or most profitable decision. The dynamics of each year (weather, forage availability, capital availability, etc.) are generally the driver related to changing the timing of marketing. However, this is where continuing to reevaluate the marketing plan is integral. Factors may dictate a producer has to market some

calves earlier than originally anticipated. Thus, a producer must try to determine his/her most profitable direction. Producers will likely have to evaluate marketing steer calves versus heifer calves or marketing the heavy end of the steers versus the lighter end. Another consideration is the purchase of additional feed resources and how costs compare to the additional revenue from adding weight to calves.

The take home message is to start developing a marketing plan early. It is easier to alter an established plan when production and market conditions change than it is to create a marketing plan on the fly. Producers with an established marketing plan will have a higher probability of being successful cattle marketers than producers without a plan. This seems like common sense, but it is evident that common sense is not so common anymore.