

Fall Cattle Marketing Quick Tips

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As summer turns to fall, there are several decisions that have to be made by cattle producers. Many of these decisions can influence price received for cattle and ultimately profitability of the operation. Thus, here are a few topics to be considered.

Slaughter cow marketing: As summer winds down and as the fall marketing time period approaches, the price of slaughter cows begins deteriorating. Prices deteriorate because many producers market slaughter cows in the fall when they are weaning calves which results in a large number of slaughter cows being placed on the market at the same time. There are two alternatives to consider. The first alternative is to market slaughter cows as soon as possible to garner a higher price which may mean early weaning calves. The second alternative is to carry the cow through the winter and market her in the spring when prices are higher. If the cow is in a body condition of 5 or higher then the best bet is likely to market her as quickly as possible. If the cow is thin and could gain 150 or more pounds then it may be beneficial to carry her through the winter if plenty of hay or forage is available.

Fall calf marketing: September through November is when the majority of freshly weaned calves are marketed in this country. Most of the calves are spring born calves that will go to backgrounding operations while some will go directly to the feedlot. There are many producers who have no interest in weaning and backgrounding calves and then marketing them at heavier weights. However, the lowest prices of the year for freshly weaned calves generally occur during the fall marketing time period. This would be the time to begin evaluating opportunities to add weight to these calves following weaning which means calculating cost of gain and expected value of gain. There may also be tax implications to consider if the cattle are held over to the next calendar year.

Fall calving herds: Fall calving season is quickly approaching and several producers may already have a few early arrivals as the summer heat can result in a shorter gestation. It may not seem like a marketing tactic, but producers should already be planning a vaccination schedule, castration, and the use of implants as this can influence the value of the calf at time of marketing. Similarly, producers should already be preparing for marketing the calf crop that is just now hitting the ground as these calves may be marketed in the spring as freshly weaned calves or the middle of next summer as yearlings.

Stocker producers: The marketing opportunities in 2018 have been favorable for most cattle to this point in the year. The summer marketing time frame was exceptionally favorable with prices as strong as and sometimes stronger than the summer of 2017. Moving forward, there will be plenty of calves offered this fall to be placed in stocker and backgrounding operations. The expectation is that prices this fall will be softer than they were a year ago, but no guarantees can be made as prices have held up well through the summer. If prices are lower then less operating capital will be needed to secure inventory which does reduce the financial risk from death loss. As the cattle complex moves towards softer prices in the next few years, the use of price risk management tools may be beneficial.

July 1 Cattle Inventory: The July 1, 2018 cattle inventory report was released at the end of July. It is not as comprehensive as the January 1 cattle inventory report, but it does give a first glance at the current year's calf crop. The expected calf crop for 2018 is 36.5 million head which is a 1.9 percent increase from the 2017 calf crop. Of that total, 26.6 million head (72.9 percent) were projected to be born in the first six months of the year while 9.9 million (27.1 percent) head were projected to be born in the second half of the year. The increased number of calves will result in increased beef production in 2019 and will likely result in softer prices than were received the previous year.

This seems a little like a disjointed laundry list, but each of these items is pertinent in today's market. There are likely other issues to consider affecting the bottom line such as stockpiling fescue

pastures, getting fall calving cows bred early in the breeding season, and the list could go on, but these happen to be some issues at the forefront.