

## What is the Cattle Marketing Plan for 2020?

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Decisions influencing the 2020 cattle marketing plan for most cattle producers started in 2019 and the decisions influencing that plan will continue until the check is cashed. Some reading will say that this is not a true statement because they have not made any marketing decisions yet while a few select producers would claim their marketing plan started much earlier than 2019. Regardless of the viewpoint, it is almost guaranteed that producers made some decision in 2019 that will influence the marketing process and final price received for cattle marketed in 2020.

Producers who have been building a reputation in the cattle business for several years certainly started their marketing plan for 2020 well before 2019. The same can be said for producers who have been putting a lot of focus on a certain breeding program and genetics in a cow herd. Some examples of breeding programs may be maternal characteristics to market replacement heifers, carcass characteristics for finishing cattle, growthy feeder cattle for the feeder market, or small framed cattle for the grass-fed beef business. In simple terms, most producers have influenced their 2020 marketing plan with decisions made many years prior to the next set of cattle being marketed.

Moving away from the decisions made many years ago, there are many decisions made on an annual basis that influence the annual marketing plan. Some of those decisions include breeding season, sire breed and genetic selection, breeding soundness exam, castration, vaccination program, creep feeding, and weaning and preconditioning program. This is not an exhaustive list. This is a list that is intended to imply that nearly every decision made along the production cycle influences the marketing plan and the final price received.

What does all of this mean? It means producers should be cognizant of the decisions they make, because these decisions will influence the marketing plan. Producers should make decisions that increase their flexibility in the marketing realm as opposed to making decisions that reduce their marketing flexibility. Unfortunately, many producers make decisions that limit marketing flexibility which hems them into doing one thing at a specific time.

An example of increasing flexibility may be breeding for improved carcass characteristics. Many producers are risk averse to owning cattle in the feedlot which is understandable. However, those same producers often complain about how low feeder cattle prices are and how much money cattle feeders and packers are making. A producer who breeds for high quality carcasses can still market yearling feeder cattle in most years, but also have a favorable opportunity to retain ownership through the feedlot in years when they expect finished cattle to be more profitable than marketing feeder cattle. A similar story could be explained for a person who generally markets replacement heifers. If replacement heifer values are expected to decline in the next several months then a producer can market feeder heifers in the near term. A more common management decision that limits marketing flexibility is not providing a complete health program. This decision extremely limits the number of buyers which results in lower prices.

The topics to be thinking about now include evaluating what decisions have been made to reduce marketing flexibility for 2020 and what decisions can be made moving forward to maintain as much flexibility as possible. At the same time, it is time to already be considering the decisions that will influence marketing in 2021. If being profitable is an objective of the operation, the three most important things to consider are cost of production, price risk management and marketing flexibility.

There is no silver bullet for cattle marketing. Many folks want to know when to market every year, but this is largely dependent on cattle weight, current market conditions, and market expectations. There is nothing wrong with physically selling cattle at the same time every year, but that does not mean they need to be marketed at the same time every year. If profitability is not an objective of an operation then this short article may have been a waste of time to read.