

Stocker Cattle Glamor

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Many readers of this article know my primary occupation is serving as the livestock economist at the University of Tennessee. My second job is producing a few acres of soybeans and running a few head of stocker cattle. Both of these endeavors can be extremely gratifying or extremely trying.

The University of Tennessee is a great place to work for several reasons. The first reason, I have great colleagues that contribute to my professional and personal development. Second, the leadership in the Institute of Agriculture is strong and well respected across the Southeast. Lastly and most importantly, I get to work with some really good livestock producers across this state.

On the contrary, I do not always agree with every decision made which can be frustrating. Proverbs 21:2 says, "Every man's way is right in his own eyes, but the Lord weighs the heart." Similarly, there are times I voice an opinion when I should keep my mouth shut. Proverbs 10:14 says, "A wise man holds his tongue. Only a fool blurts out everything he knows: that only leads to sorrow and trouble." The point, every occupation presents challenges. We should keep our ears open, eyes down, and mouth shut until called upon.

I am occasionally guilty of making the stocker cattle business look glamorous. There is glamor and a little pride in the stocker cattle business when a producer takes a set of mismanaged calves and turns them into a uniform set of healthy feeder cattle that will perform in the feedlot and make the stocker producer and the cattle feeder a working man's wage. However, the cost of this glamor can sometimes exceed the rewards and monetary proceeds.

It is an understatement to say the stocker cattle business is not for everyone. In actuality, very few cattle producers are cut out to be stocker cattle producers. The stocker cattle business can be good and it can be bad. The bad comes in several shapes and forms such as cattle that get sick and die, cattle that get sick and stay sick (chronics), cattle that simply do not perform as expected, and a market that moves against the producer.

Dead animals are a tremendous loss. The cost of a dead animal includes its purchase price and input costs incurred prior to death (haul to farm, veterinary expenses (vaccines, dewormer, antibiotics), feed, etc.), and animal disposal following death. Looking back to 525 pound steers purchased in the fall of 2018, one dead steer could have easily cost the operation in excess of \$800. In a group of 62 steers, the one dead steer is similar to reducing revenue at sale by \$13 for each of the additional 61 steers. The less glamorous aspect of this scenario is if several calves die which will certainly result in monetary losses to the producer.

Chronics can actually have a greater expense to an operation than animals that die quickly. Generally, producers spend a lot of time and effort administering antibiotics to chronics before they realize they are a chronic. Then this animal never performs and is sold at a tremendous discount. These are the obvious expenses. The less obvious expense is the number of cattle that contract sickness from the chronic animal and the morbidity and mortality that ensues. Placing a direct cost on this is very difficult. It can be very expensive.

Cattle that do not perform as expected are another pitfall. If a producer is shooting for a two pound average daily gain over 150 days and they only get 1.9 pounds per day then each calf is 15 pounds lighter than expected. That equates to 930 pounds on a group of 62 calves. The answer is to feed them longer which has additional cost or sell 930 pounds less than expected.

The market moving against a stocker producer can be the final gut punch to a tough set of cattle or a set of cattle that were otherwise successful. Every stocker producer starts with an expected sale price given a certain weight and time period. However, the market price can increase, decrease, or stay the same. Producers are satisfied when the price is as expected or increases, but decreasing prices is another story. A \$5 per hundredweight decline on an 800 pound animal is \$40 per head.

The stocker cattle business can be rewarding. Alternatively, it has been known to take back the rewards plus some extra. Cattle producers not willing to take on large quantities of risk and with no desire to treat sick cattle regularly should probably avoid stocker cattle production.