KEY FACTORS FOR PROFITABILITY

Creating Value in the Calf

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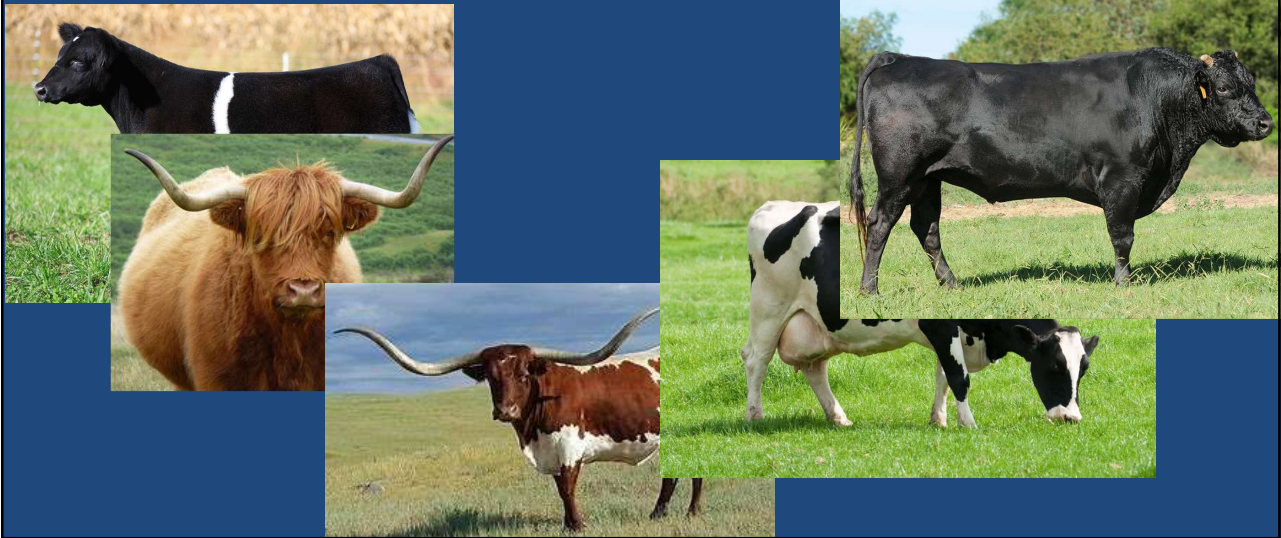# What are the 3 main keys to Profitability?

Reproduction

Animal Performance

Marketing

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Legal Disclaimer…

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Commercial Cow/Calf Production in Florida

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What is the definition of VALUE?

Value: (noun)
1. The material or monetary worth of something
2. The worth of something compared to the price paid for it

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More specifically... Calf Value

- Calf Performance
  - determines the VALUE of the calf
- Marketing
  - determines the PROPORTION of the calf value that you receive

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FACTORS AFFECTING WEANED CALF VALUE

- Weight
- Sex
- Brahman percentage
- Body Condition Score
- Characteristics of the Coat
  - Color
  - Color Pattern
  - Hair Length

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FACTORS AFFECTING WEANED CALF VALUE

Primary Factors
- Weight
- Sex
- Brahman percentage
- Body Condition Score
- Characteristics of the Coat
  - Color
  - Color Pattern
  - Hair Length

Other Factors
- Age
- Frame Score
- Genetics
- Nutrition
- Health
- Seasonality
- Geographical Location
- Weather
- Stock Market
- Politics….

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CALF PERFORMANCE

- Genetics
- Nutrition
- Animal Health

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CALF PERFORMANCE

- GENETICS
  - Heterosis
  - Genetic Selection
  - Breeding Program

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Free Gift

- The free gift of Heterosis!
- 24% Improvement in pounds of calf weaned per cow exposed!

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Genetic Selection

TABLE 1: ADJUSTMENT FACTORS TO ADD TO EPDs OF EIGHTEEN DIFFERENT BREEDS TO ESTIMATE ACROSS BREED EPDs

Breed	Birth Wt. (lb)	Weaning Wt. (lb)	Yearling Wt. (lb)	Maternal Milk (lb)	Marbling Score[a]	Ribeye Area (in^2)	Fat Thickness (in)	Carcass Wt.(lb)
Angus	0.0	0.0	0.0	0.0	0.00	0.00	0.000	0.0
Hereford	2.3	-7.8	-28.6	-17.3	-0.31	-0.07	-0.056	-59.0
Red Angus	2.5	-31.4	-34.6	3.3	-0.27	0.01	-0.016	-9.0
Shorthorn	4.7	-36.6	-17.3	4.1	-0.14	0.37	-0.105	-7.1
South Devon	3.3	-11.4	-27.1	3.9	-0.08	0.29	-0.133	-24.8
Beefmaster	4.7	17.9	0.5	5.9				
Brahman	10.3	45.1	6.6	23.8	-0.78	-0.05	-0.145	-27.8
Brangus	3.3	12.0	4.0	6.3				
Santa Gertrudis	5.7	36.3	43.0	17.0	-0.54	-0.09	-0.080	2.2
Braunvieh	1.9	-25.5	-50.0	-0.8	-0.70	0.78	-0.092	
Charolais	8.0	34.6	40.4	8.2	-0.33	1.01	-0.208	13.0
Chiangus	3.2	-27.0	-40.5	-1.7	-0.34	0.34	-0.093	-18.1
Gelbvieh	2.8	-22.6	-29.3	2.3	-0.27	0.75		-15.0
Limousin	2.3	-18.2	-41.3	-13.7	-0.43	1.01	-0.132	-12.0
Maine-Anjou	4.2	-30.5	-38.7	-6.2	-0.57	0.97	-0.187	-15.9
Salers	1.8	-7.3	-25.7	5.9	-0.09	0.94	-0.196	-23.5
Simmental	3.2	-9.4	-12.1	4.4	-0.34	0.49	-0.129	4.4
Tarentaise	3.4	25.1	5.6	24.2				

[a]Marbling score units: 4.00 = Sl^{00}; 5.00 = Sm^{00}

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Breeding Program

- Establish a sustainable planned crossbreeding program to maximize heterosis and breed complimentarity, while meeting the needs of the environment, the buyer, and the consumer.

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CALF PERFORMANCE

- NUTRITION
  - Mineral Program
  - Forage Base
    - Fertility
    - Management
  - Supplementation

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CALF PERFORMANCE

- ANIMAL HEALTH
  - Vaccination
  - Deworming
  - Implant Strategy
  - Animal Handling

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Calf Vaccinations

Primary Vaccines
- Respiratory viral vaccine
- Clostridial combo
- Bacterial Pneumonia
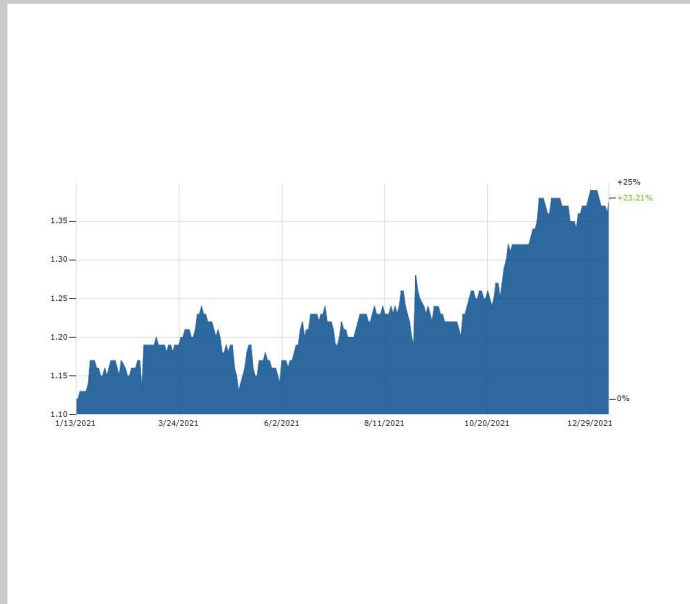 - P. multocida
  - M. haemolytica
  - H. somnus

Other Vaccines
- Pinkeye
- Scours
- Warts
- Mycoplasma

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MARKETING

- How you get paid for your CALF PERFORMANCE

- MARKETING
  - Genetics
  - Vaccination Protocol
  - Process Verification
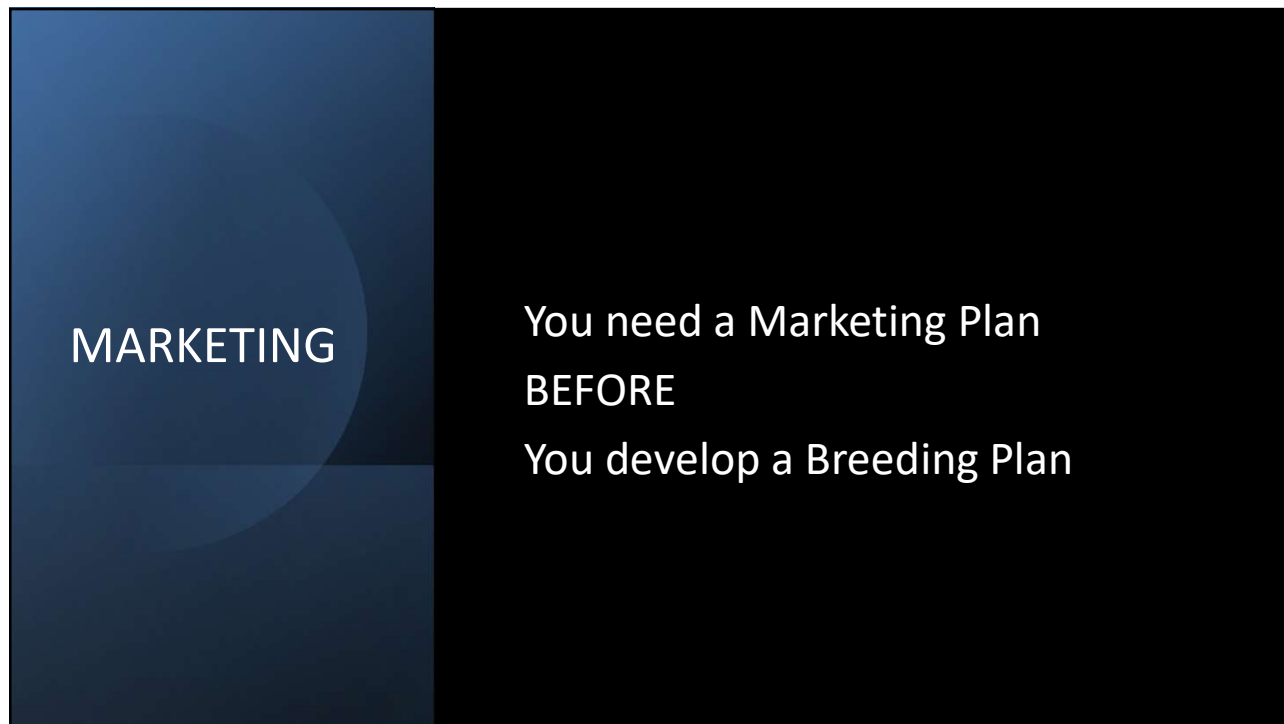 - Animal Handling and Beef Quality Assurance

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MARKETING

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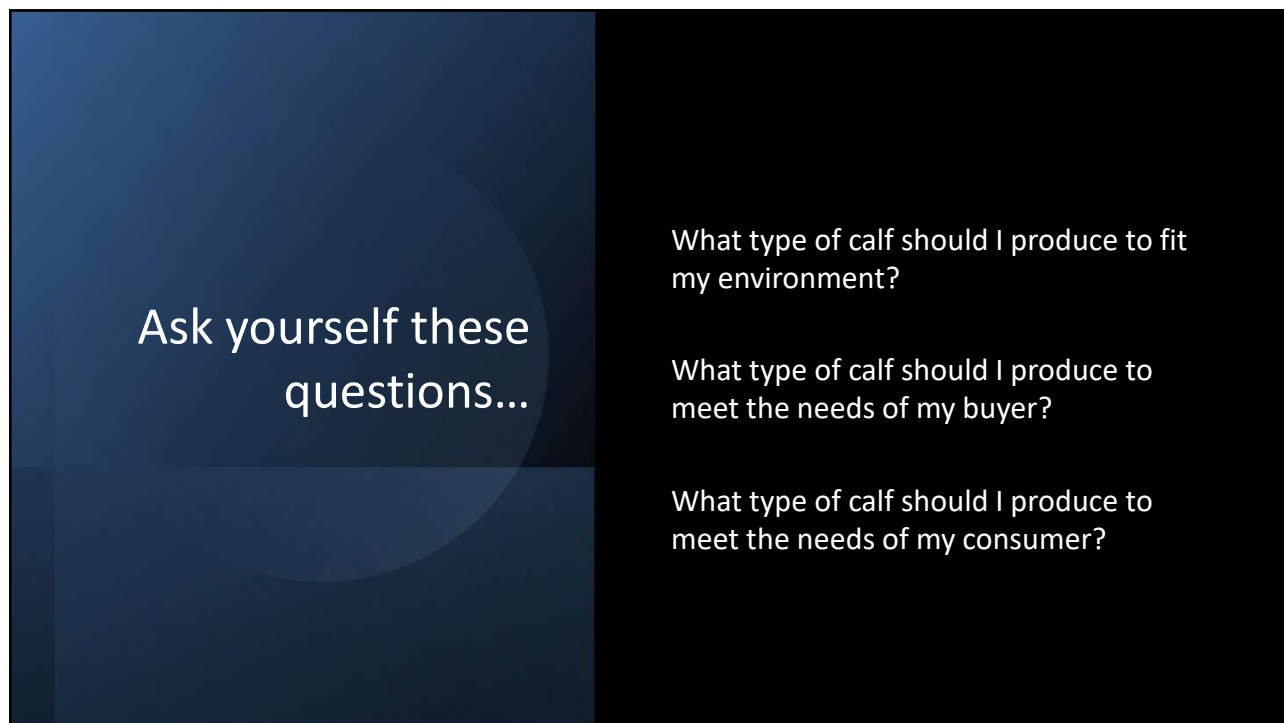
MARKETING

You need a Marketing Plan

BEFORE

You develop a Breeding Plan
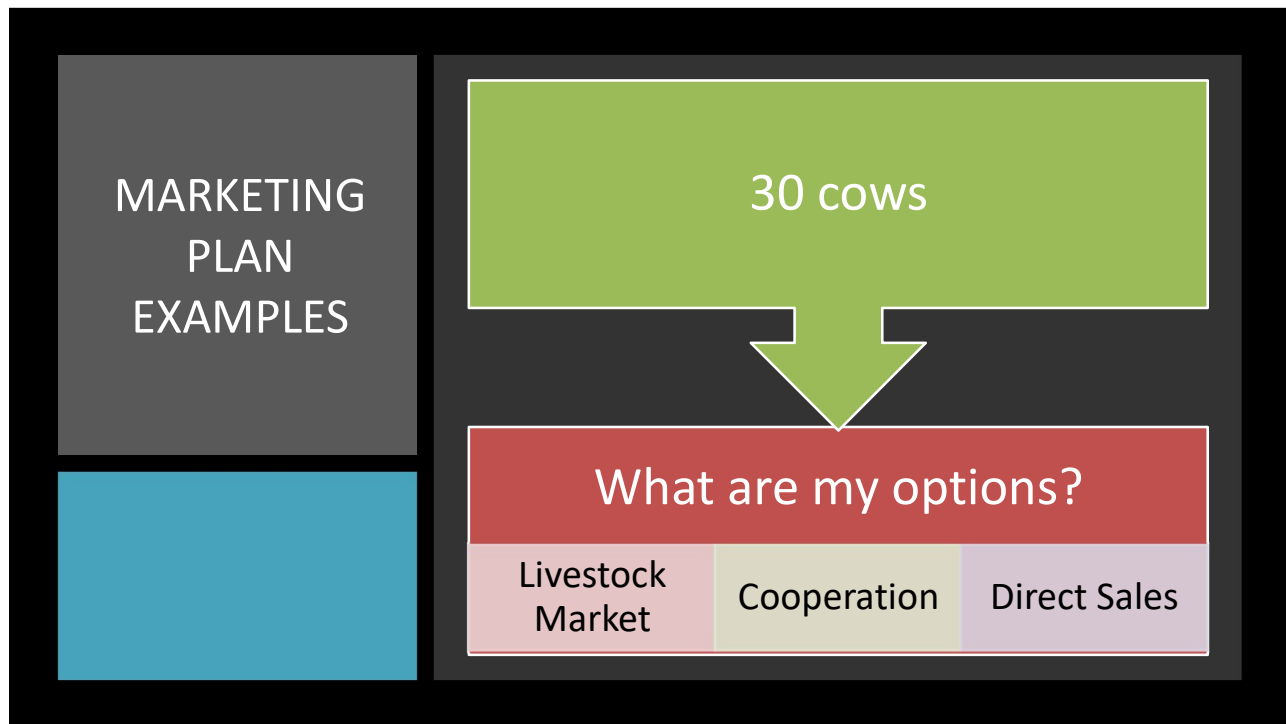
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Ask yourself these questions…

What type of calf should I produce to fit my environment?

What type of calf should I produce to meet the needs of my buyer?

What type of calf should I produce to meet the needs of my consumer?

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Slide 24

MARKETING PLAN EXAMPLES

30 cows

What are my options?

| Livestock Market | Cooperation | Direct Sales |

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Slide 25

MARKETING PLAN EXAMPLES

30 cows

Option 1 – Livestock Market

- Black
- Large Framed
- 3/8 or less Brahman
- Not Fleshy

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MARKETING PLAN EXAMPLES

200 cows

What are my options?

| Livestock Market | Livestock Broker | Direct Sales | Retain Ownership |

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MARKETING PLAN EXAMPLES

200 cows

Option 2 – Livestock Broker

- Uniform age, weight, and color
- Castrated and Dehorned
- Documented herd health/vaccination history
- Age and Source verified
- Process Verified
- Medium or Large Framed
- < ½ Brahman

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Slide 29

MARKETING PLAN EXAMPLES

1000 cows

↓

What are my options?

Livestock Market	Livestock Broker	Direct Sales	Retain Ownership

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Slide 30

MARKETING PLAN EXAMPLES

1000 cows

Option 3 or 4 – Direct Sale or Retain Ownership

- Uniform age and weight
- Castrated and Dehorned
- Documented herd health/vaccination history
- Age and Source verified
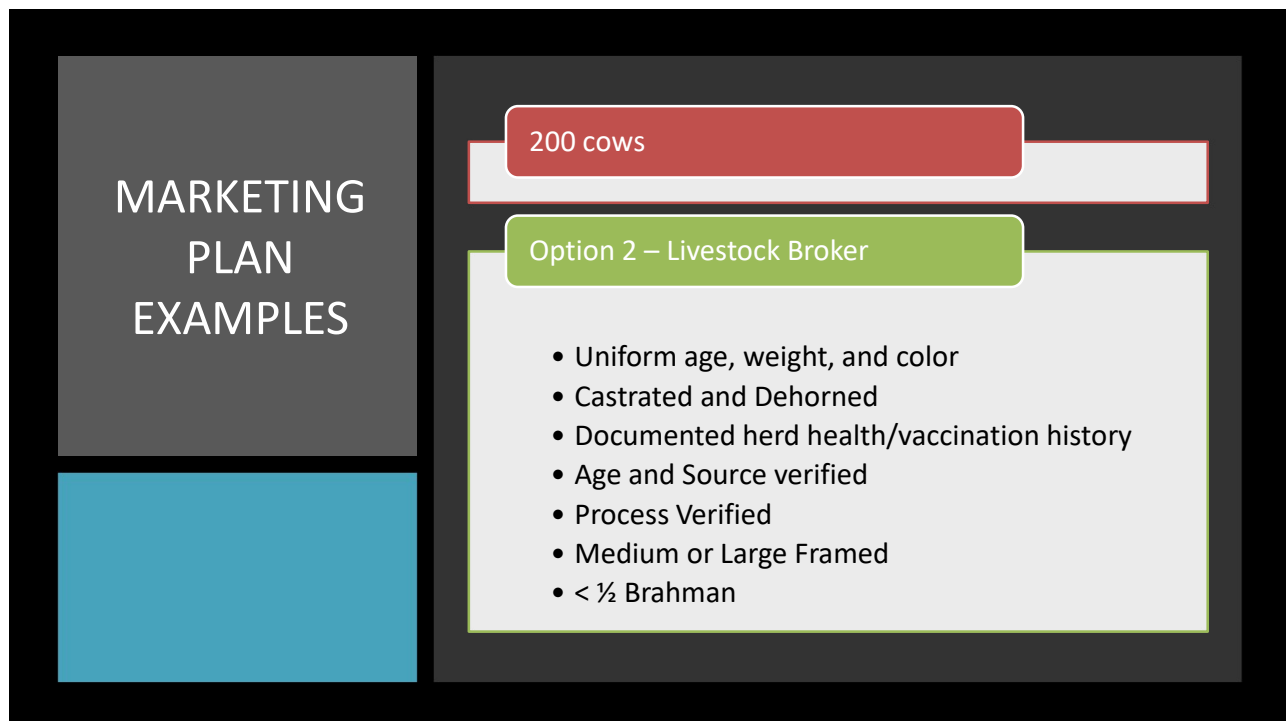- Process Verified
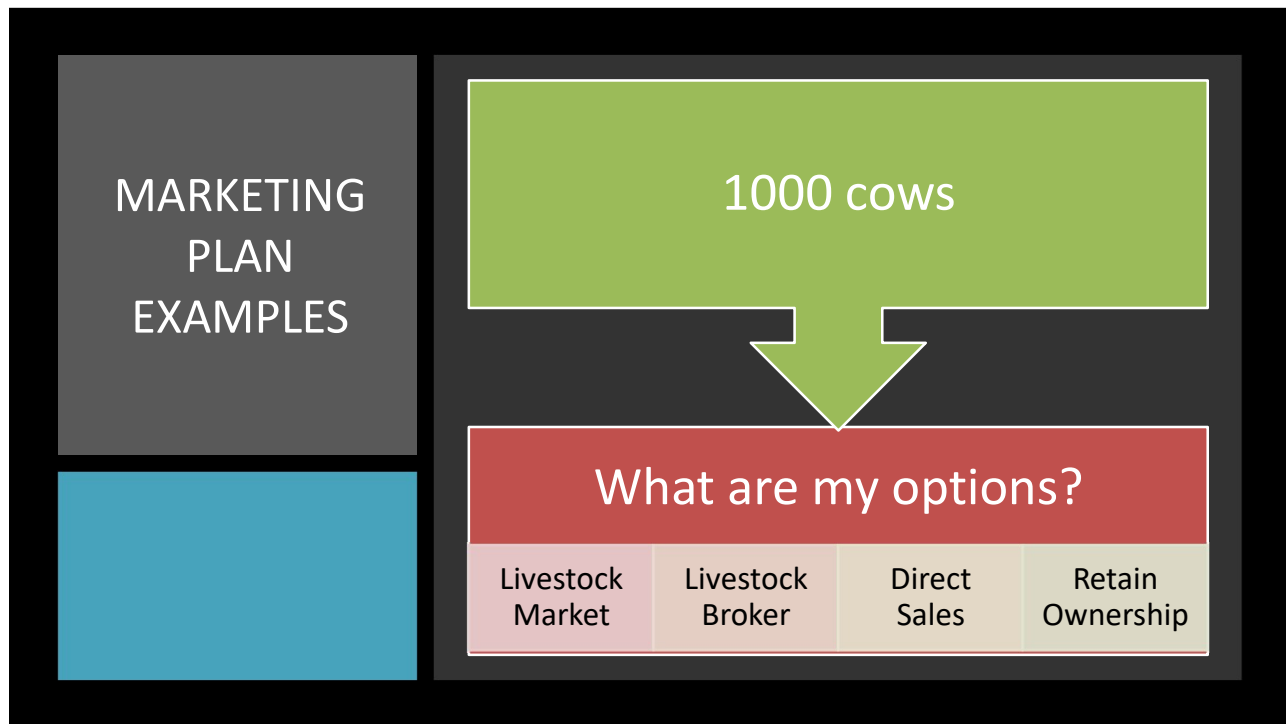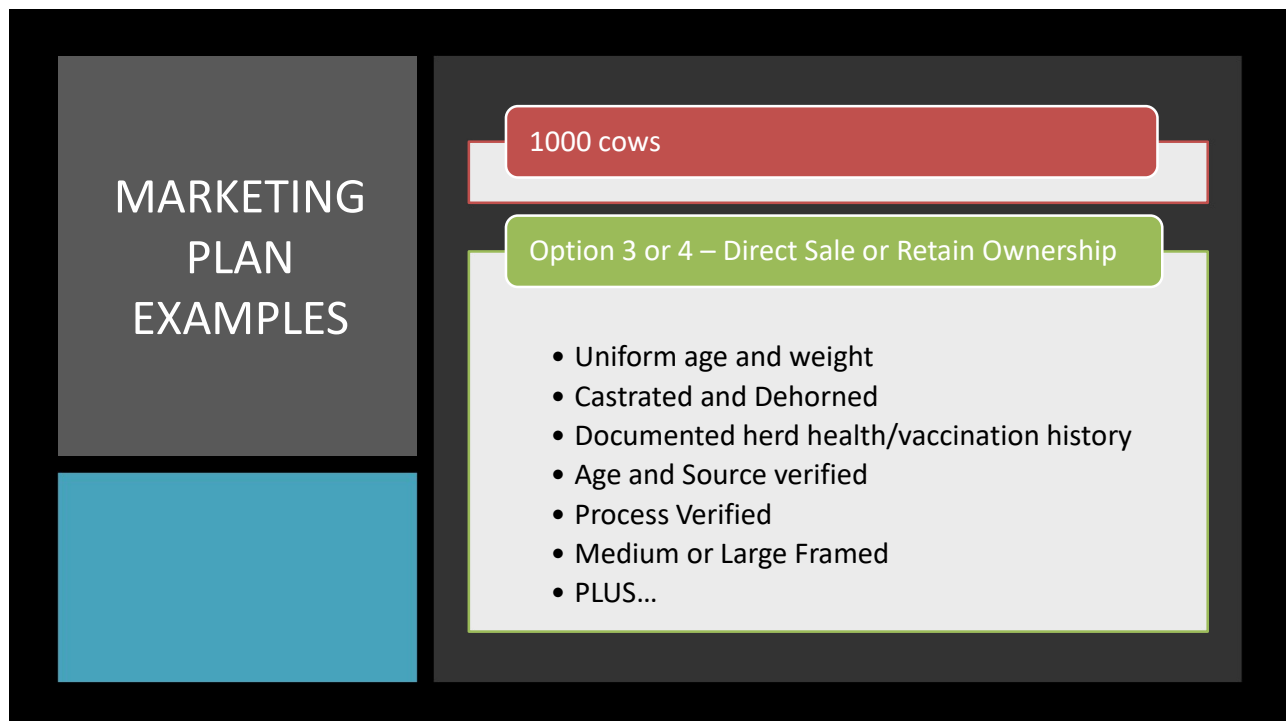- Medium or Large Framed
- PLUS…

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MARKETING PLAN EXAMPLES

1000 cows

Option 3 or 4 – Direct Sale or Retain Ownership

- Proven Genetics for
  - Feed Efficiency
  - Growth Performance
  - Carcass Characteristics
  - Disposition

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OTHER WAYS TO CREATE VALUE

- Capitalize on Marketing Opportunities
  - Seasonality
  - Preconditioning
  - Backgrounding

154,568
56,845
110,000
150,000
35,000
83,000

95,054
97,511
99,011
99,216
101,090
101,684
101,962
102,747

124,500
125,000
154,000
95,000
154,200
110,000
89,000
50,00
68,7

125,058
125,487
124,000
105,450
86,502

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OTHER WAYS TO CREATE VALUE

- Niche markets
  - Beef Sales
  - Product Differentiation
    - Local
    - Humane
    - Grass Fed
    - Experience

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OTHER WAYS TO CREATE VALUE

- Risk Management
  - Futures and Options
  - Livestock Risk Protection

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OTHER WAYS TO CREATE VALUE

- Replacement Heifer Development
  - Do not overlook this opportunity no matter the size of your operation
  - Consignment Sales
  - Direct Sales to other producers

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RECAP

- Evaluate Your Options
- Create a Marketing Plan
- Align you Breeding Program to fit your Marketing Plan and your Environment
- Optimize Calf Performance
  - Genetics, Nutrition, & Animal Health
- Capitalize on Opportunity

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What are you doing to increase the value of your calves?

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QUESTIONS

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