

Ranching 101

Livestock Marketing

April 19, 2016



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Agenda

- Livestock marketing options
- What happens at livestock markets
- Preparing to market cattle
- Other types of marketing
- Marketing resources
- Current marketing issues



Key Marketing Decisions/Factors

- What are the goals for your operation?
 - Marketing or operational plan
- What resources do you have available?
 - What are you buying/selling?
 - Small vs. large volume
 - Cattle type
- Who is buying?
 - When, where, what?



Your Marketing Options

- Livestock markets
- Premium/Commingled sales
- Direct trade/private treaty
- Forward contracting
- Online/Video sales
- Online/Country Cattle Listings
- Retaining ownership and feeding partnerships
- Do nothing
- Other options are available



Livestock Markets

Advantages

- Full benefit of price advances
- Very good price discovery
- Frequent sales
- Convenience
- Market stands payment risk, insures legitimacy of buyers

Disadvantages

- Full risk of price declines
- Value-added cattle have trouble bringing full potential
- Transportation, shipping, and selling costs are higher



Premium/Commingled Sales

Advantages

- Allows small operators to maximize the price potential of their cattle
- Very good price discovery
- Market stands payment risk, insures legitimacy of buyers

Disadvantages

- Cost to participate in the sale may be prohibitive
- Infrequent sales require advance planning
- Transportation, shipping, and selling costs are higher because few markets hold these sales



Direct Trade/Private Treaty Sales

Advantages

- Terms may be tailored to specific situations
- Easier to develop a reputation for good cattle

Disadvantages

- You have to work to find buyers
- You stand payment risk



Forward Contracting

Advantages

- Terms may be tailored to specific situations
- Allows long-term planning to a specific delivery date
- Allows basis contracts and hedging

Disadvantages

- Greater knowledge required due to involvement of risk management tools
- Upside price potential may be limited
- You stand payment risk



Satellite/Online Video Sales

Advantages

- Larger, targeted buyers from large areas can view your cattle
- The video sale assumes payment risk

Disadvantages

- Large lots of cattle required, minimum of a truckload (60-70 calves)
- Requires advanced planning



Satellite/Online Video Sales

Lot # 8882

Cobb Cattle Co.

[Add to my lots](#)

71 FEEDER HEIFERS

BASE WT: 670#

ORIGIN: Purchased Local
Ranches

SLIDE: 10 cents over the
base weight

CURRENT LOCATION: Pasture, 25 mile(s) NW of Texarkana, TX which is 185 miles NE of
Fort Worth, TX

BREED TYPE: Charolais cross, Angus cross & English Exotic cross with most
showing 1/8-1/4 ear, very few with 3/8.

FRAME: Med - Med Lg

FLESH: Medium

EST. WT. VAR.: Very Uneven

HORNS: Most no,
possibly some

FEED: Native grass, 2-4# feed (in cake box) daily & hay, if needed.

DELIVERY DATE: Nov. 20-Dec. 10 Rep's option

WEIGHING COND: Gather ASAP, sort as needed, load on buyers truck, haul 10-15 miles
& weigh on truck w/a 2%. May ship from ranch 20 miles West if
grass conditions dictate. 48,520 gross# 1d(s).

COMMENTS: Nice set of fall feeders running on native grass. Show enough
condition to go back to grass.

VACCINATIONS: Vista Once, Vision 7 Blackleg & wormed as needed.

IMPLANTED: Not by this
Owner

TOTAL EST 47570 #
PAY WEIGHT:

AGE/SOURCE
VERIFIED: No

REPRESENTED BY: Norman Sansom (903) 277-7318
Dale Sansom (903) 276-8737



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Satellite/Online Video Sales

Superior Click-to-Bid: Live Bidding Applet - Mozilla Firefox

www.superiorclicktobid.com/live/jsp/applet.jsp?r=1414158412277



Visit our website at www.superiorlivestock.com



BID \$226.00

NOW SELLING:

LOT 8882 [info](#)

LOT: 8882 **\$226.00**

71 Feeder Heifers @ 670#

Slide: 10	Shrink: 2	CONSIGNOR:
Flesh: Medium	Horns: Most no, possibly some	Cobb Cattle Co.
Implanted: Not by this Owner	Age/Source: No	DELIVERY:
		Nov. 20-Dec. 10
Frame: Med - Med Lg		REP:
Est. Wt. Var: Very Uneven		Dale Sansom
Origin: Purchased Local Ranches		

Current Location: Pasture, 25 mile(s) NW of Texarkana, TX which is 185 miles NE of Fort Worth, TX
Feed: Native grass, 2-4# feed (in cake box) daily & hay, if needed.
Breed Type: Charolais cross, Angus cross & English Exotic cross with most showing 1/8-1/4 ear, very few with 3/8.
Vaccinations: Vista Once, Vision 7 Blackleg & wormed as needed.
Bangs Vaccinated:
Weighing Conditions: Gather ASAP, sort as needed, load

9:02:40 AM - Lot 8882 is open for bidding. Please bid now.
9:02:40 AM - New lot is announced.
9:02:28 AM - Lot(s) 8881 Sold
9:01:12 AM - Lot 8881 is open for bidding. Please bid

Catalog ☒ FOLLOW CURRENT LOT

Lot 8882 - Cobb Cattle Co.	details
71 Feeder Heifers @ 670#	Delivery: Nov. 20-Dec. 10 Rep: Dale Sansom
	\$225.00 BIDDING
Lot 8883 - Ransom LLC	details
72 Feeder Heifers @ 660#	Delivery: Oct. 25-Nov. 10 Rep: Cody Sullins

REPLACEMENT FEMALES • FEEDER & STOCKER CALVES • HERD BULLS
....see how Limousin influenced cattle will keep you in the business.

LIMOUSIN LIM-FLEX
NORTH AMERICAN LIMOUSIN FOUNDATION LIMOUSIN-ANGUS HYBRID



Satellite/Online Video Sales

Lot # 9022

Navillus Red Angus

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30 COW/CALF PAIRS

BASE WT: 1100#

ORIGIN: Purchased Nebr.
& MT

SLIDE: 50 cents under
the base weight

CURRENT LOCATION: Ranch, 13 mile(s) SE of Milan, MO which is 125 mile(s) NE of
Kansas City, MO

BREED TYPE: Red Angus & Red Angus cross (some w/Pieper bloodlines) cows.
Calves sired by Red Angus (Lamoni) bulls. Pred. 3 yr olds, may be
some 4 yr olds. Solid mouth. Mouthed prior to delivery.

FRAME: Med - Med Lg

FLESH: Medium

EST. WT. VAR.: Uneven

HORNS: No

FEED: Fall pasture supplemented w/commodity by-product type ration.

DELIVERY DATE: Dec. 1-10 Rep's option

WEIGHING COND: Gather ASAP, load on buyers truck, haul approx. 10 miles & weigh
on truck straight. 33,000# Id(s).

COMMENTS: Real nice set of Red Angus & Red Angus cross young pairs. Approx.
75% w/calves on ground currently. Started calving 9/1/14 for 60 days.

VACCINATIONS: Cows: Vibrio Lepto, wormed & poured. Calves: Vision 7 Somnus
w/Spur & Pyramid 5+Presponse.

IMPLANTED:

TOTAL EST 33000 #
PAY WEIGHT:

BANGS VACCINATED: 100%

AGE/SOURCE
VERIFIED: No

REPRESENTED BY: Kenny Wayne Blair (641) 223-0106
Steve Vaughn (785) 443-2739
Travis Vaughn (785) 462-0332



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Satellite/Online Video Sales

Lot # 9005B

Jeff Dewey

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48 BRED HEIFERS

BASE WT: 1075#

ORIGIN: Purchased KS

SLIDE: 80 cents under
the base weight

CURRENT LOCATION: Feedlot, 2 mile(s) W of Howell, KS which is 12 miles W of Dodge City, KS

BREED TYPE: Black Angus (Gardiner Angus influenced genetics) hfrs bred to Angus (sons of Objective & Predestined) bulls. Bred in 1st heat. Ultrasounded 8/17/14 & preg checked 10/3/14. Start calving approx. 2/1/15 for approx. 25 days.

FRAME: Med - Med Lg

FLESH: Medium

EST. WT. VAR.: Uneven

HORNS: None

FEED: Maintenance ration of wet distillers, protein pellets & cornstalks.

DELIVERY DATE: Nov. 3-7 Rep's option

WEIGHING COND: Gather ASAP, sort, load on buyers truck & weigh on truck straight. Sort biggest & best from 166 hd, then 1 load, gate cut from 144 hd. 51,600# 1d(s).

COMMENTS: Nice set of docile hfrs w/good foundation genetics. Cake broke & handled by horseback. Summered on grass w/mineral. Gathered off grass 9/24.

VACCINATIONS: BS Gold, 1 Shot, Ultrabac 7, SomuBac & Dectomax PO as clvs. Dectomax Inj. spring. BS Gold FPVL5 & ScourGrd @ ultrasnd. Dectomax PO @ preg chk.

IMPLANTED:

TOTAL EST 51600 #
PAY WEIGHT:

BANGS VACCINATED: 100% w/legible tattoos

AGE/SOURCE No

VERIFIED:



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Satellite/Online Video Sales

View	Nebraska Livestock Sales - Norfolk - Cattle (Norfolk, NE)	Details	Regular	8:00 AM (CDT)
View	Bluegrass Stockyards of Richmond, LLC (Richmond, KY)	Details	Regular	8:30 AM (CDT)
View	Burwell Livestock Market II Ltd. (Burwell, NE)	Details	Regular	9:30 AM (CDT)
View	Eastern Missouri Commission Co. (Bowling Green, MO)	Details	Regular	9:30 AM (CDT)
View	Verdigre Livestock (Verdigre, NE)	Details Consignment Listing	Regular	10:00 AM (CDT)
View	Edina Livestock (Edina, MO)	Details	Regular	11:00 AM (CDT)
View	Spur Ranch - 2014 Fall Angus Sale (Vinita, OK)	Details Catalog Video Catalog	Production Sale (Cattle)	12:00 PM (CDT)
View	Mankota Stockmen's Weigh Co. Ltd. (Mankota, SK)	Details Supplement Sheet	Regular	1:00 PM (CDT)
View	DHT Angus - November Online Embryo Auction (Ava, MO) Featuring Embryos by Ten X & 9Q13	Details	Timed-to-Live (Cattle)	All Day
View	Angus Auctions - Rocky Mountain High Altitude Online Female Sale (St. Joseph, MO) High-Altitude Angus Genetics	Details	Timed (Cattle)	All Day
View	Angus Auctions - LA Genetics Online Embryo & Semen Sale (St. Joseph, MO)	Details	Timed (Cattle)	All Day

All times listed in Central Time (US & Canada)



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Country Cattle Listings

Advantages

- Larger, targeted buyers from large areas can view your cattle
- The online service may or may not assume payment risk
- Large, truckload lots may not be required

Disadvantages

- Cattle may not sell
- Disadvantage to buyers: Sellers generally set unrealistically high prices



Country Cattle Listings



WELCOME TO THE SUPERIOR COUNTRY PAGE!



Log in to save lots

[« previous lot](#)

[back to catalog](#)

[next lot »](#)

Lot # C1296B

J&J Cattle Co.

110 WEANED HFR CALVES

BASE WT: 450#

ORIGIN: Purchased
Central TX

SLIDE: 15 cents over the
base weight

CURRENT LOCATION: Ranch, 10 mile(s) W of Bryan, TX which is 175 miles SW of Fort Worth, TX

BREED TYPE: English & English Exotic cross. Black, BWF, Charolais, Charolais cross, Red & RWF. May be a few crossbred hfrs on load.

FRAME: Med - Med Lg

FLESH: Medium

EST. WT. VAR.: Very Uneven

HORNS: Dehorned or
Tipped

FEED: Grass traps receiving free choice grow ration.

DELIVERY DATE: Oct. 22-30 Rep's option

WEIGHING COND: Gather early, load on buyers truck, haul approx. 20 miles & weigh on truck w/a 2%. 1 load, gate cut.

COMMENTS: Nice set of weaned hfrs ready for grass. Not used to train cutting horses.

VACCINATIONS: Titanium 3, Covexin 8, Autogenous Bacterin & Ivomec Plus.
Boostered 2 weeks later w/same.

IMPLANTED: Component E-C

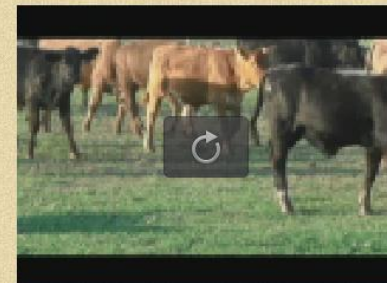
TOTAL EST 49500 #
PAY WEIGHT:

AGE/SOURCE
VERIFIED: No

REPRESENTED BY: Greg Goudeau (936) 661-8432

Place a Bid on Lot #C1296B

CURRENT BID: \$0.00
ASKING PRICE: \$300.00
Please [log in](#) in order to bid.



Online/Country Cattle Listings

Country Cattle

Whether you are buying or selling cattle, Jordan Cattle Auction can help meet your needs. Through our country cattle service, we can market calves, yearlings, replacement females and bulls.

Printable version

12 Virgin 1/2 Angus 1/2 Corriente Bulls - Lot C86

12 Virgin 1/2 Angus 1/2 Corriente bulls ready for service. Call Ken. **(Lot C86)**

15 Fancy Tigerstripe Heifers - Lot C85

15 Fancy Tigerstripe heifers bred to calve November – January to a low birthweight Angus bull. These are big, stout heifers weighing 1050 pounds. Call Bart. **(Lot C85)**

35 Red Angus Cross Heifers - Lot C84

35 Red Angus Cross heifers bred to low birthweight Angus bulls to calve February – April. They will make a nice set of cows. Call Bart. **(Lot C84)**

40 Fancy 1st Calf Brangus Pairs - Lot C83

40 Fancy 1st calf Brangus pairs with Angus sired calves at side. Females were weighed on September 5 and crossed the scales at 1100 pounds. They are big, stout, and exceptional. Do don't miss these if you want the best! Call Bart. **(Lot C83)**

70 Choice Beefmaster Cross Heifers - Lot C82

70 Choice Beefmaster Cross heifers bred to start calving November – January to low birthweight Angus bulls. Females will weigh 1000+ pounds and will make a great set of mama cows. Call Bart. **(Lot C82)**



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Retaining Ownership/ Feeding Partnerships

Advantages

- Opportunity to take advantage of cattle that perform well
- Some years this makes a lot of money



Disadvantages

- Generally, large lots of cattle required, minimum of a truckload (60-70 calves)
- Requires advanced planning
- Generally requires additional equity
- Some years this loses a lot of money, greater risk



Before Committing to a Sale Type

- Know what you have in the cattle
- Know what it will cost to hold cattle longer
- Understand what resources you have available
- Fully understand the risks at hand: what can you gain/lose



What Really Happens at a Livestock Market?



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What really happens at a livestock market?



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Unload Your Cattle



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Cattle Counted and Identified, Seller Information Collected



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Brand Information Recorded

JS

Mkt. Insp. Initial








TEXAS & SOUTHWESTERN CATTLE RAISERS ASSOCIATION

Shipper Marty Crain

Address 810 CR 442

City Palacios State TX Zip 77465 Commission Co. El Campo L/S
El Campo, TX

License #/State _____ Total Head 20 Date 4/24/12

Tag No.	Mark	Description	Class	Sex	Age	Horn Info.	BRANDS
1 <u>192</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input checked="" type="checkbox"/> 8 <input checked="" type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	Cow <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Str <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	En S ls
2 <u>210</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	Str <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
3 <u>11</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Str <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
4 <u>12</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	Str <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
5 <u>13</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Str <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
6 <u>14</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Str <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
7 <u>15</u>	R  L	Wt <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input checked="" type="checkbox"/> 8 <input type="checkbox"/> 9	Da <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Cow <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Str <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Hfr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	

Cows May Be Preg-Checked, Mouthed for Age, or Bled



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Cattle May be Commingled/Separated for Merchandising



Cattle Sold by Lot and/or Pen



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Cattle Weighed Post-Sale



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Cattle Penned by Buyer



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Buyers: Pay for and Load Cattle



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Seller: Pickup Your Check

Apr 2, 2015

SELL-NO:

229919

TAG#	HEAD	DESC	BUYER	TICKET	WT/lbs	PRICE	AMOUNT
	4	B C&C	ZUB003	6827	* 3985	2,850.00H	5,700.00
	6	B/BW C&C	BRAD	6828	* 4585	2,400.00H	7,200.00
	8	B C&C	BRAD	6829	* 6395	2,300.00H	9,200.00
	2	Y C&C	KN100	6830	* 1360	2,150.00H	2,150.00
	6	B/BW COW	CLARK2	6831	* 8760	1,820.00H	10,920.00
	5	B COW	SKNIGH	6832	* 6900	1,650.00H	8,250.00
	5	B COW	SS011	6833	* 7185	1,775.00H	8,875.00
	1	B COW	CAV3	6834	* 1455	110.00C	1,600.50
	1	B COW	CAV	6835	* 1130	126.00C	1,423.80
	1	R COW	KN016	6836	* 1365	1,925.00H	1,925.00
	1	B COW	CAV3	6837	* 1465	104.00C	1,523.60
	1	BWF COW	KN011	6838	* 1160	108.00C	1,252.80
	1	B COW	KN017	6839	* 1310	92.00C	1,205.20
	1	B COW	CAV3	6840	* 1175	99.00C	1,163.25
	1	B COW	CAV3	6841	* 1295	109.00C	1,411.55
	1	B COW	CAV3	6842	* 1555	107.50C	1,671.63
	1	B COW	CAV10	6843	* 1875	103.00C	1,931.25
	1	B COW	CAV3	6844	* 1315	111.00C	1,459.65
	1	B COW	CAV	6845	* 1400	100.00C	1,400.00
	1	B COW	CAV	6846	* 1360	114.00C	1,550.40
	1	B COW	CAV3	6847	* 1475	112.00C	1,652.00
	1	B COW	CAV3	6848	* 1845	103.00C	1,900.35
	1	JER COW	CAV	6849	* 1000	106.00C	1,060.00
	1	B COW	CAV3	6850	* 1360	107.00C	1,455.20
	1	B COW	CIRB11	6851	* 910	113.00C	1,028.30

Cool-id:USA 54 hd 63620 lb \$78,909.48

COMMISSION	2,367.30
BRAND INSP.	45.90
INSURANCE	236.73
0044 CHUTE C	66.00
0044 PREG. T	220.00
0044 FEED	121.00
BEEF COUNC	108.00

^* indicates manually entered weight
SPECIAL REPLACEMENT FEMALE SALE SATURDAY JUNE 6

\$3,164.93

Net Proceeds \$75,744.55



Making Sense of the Check:

Example 1 - Cows

54	hd	63620 lb	\$78,909.48
		COMMISSION	2,367.30
		BRAND INSP.	45.90
		INSURANCE	236.73
		0044 CHUTE C	66.00
		0044 PREG. T	220.00
		0044 FEED	121.00
		BEEF COUNC	108.00
			\$3,164.93
UNE 6		Net Proceeds	\$75,744.55

Commission:	3% of gross
Brand Inspection:	\$0.85/head
Insurance:	0.3% of gross
Chute fee (44 hd):	\$1.50/head
Preg. check (44 hd):	\$5.00/head
Feed (44 hd):	\$2.75/head
Beef checkoff:	\$2.00/head

Total deductions: 4.0% of gross



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Making Sense of the Check:

Apr 2, 2015				SELL-NO:				229938	
TAG#	HEAD	DESC	BUYER	TICKET	WT/lbs		PRICE	AMOUNT	
1380	1	B STR	PT062	6950	*	620	242.50C	1,503.50	
1381	1	B HFR	RS035X	6946	*	450	227.50C	1,023.75	
1382	1	B STR	SC003	6945	*	380	287.50C	1,092.50	
1383	1	G STR	RS035	6980	*	400	272.50C	1,090.00	
1384	1	HOLT STR	RS045	6958	*	440	197.50C	869.00	
1385	1	B HFR	RS045X	6957	*	470	240.00C	1,128.00	
1386	1	B HFR	RS035X	6959	*	255	255.00C	650.25	
1387	1	B HFR	RS035X	6979	*	465	242.50C	1,127.63	
1388	1	B HFR	CP022	6954	*	310	312.50C	968.75	
1389	1	B HFR	CP022	6952	*	310	312.50C	968.75	
1390	1	B HFR	RS045X	6971	*	465	236.00C	1,097.40	
1391	1	B HFR	CP022	6951	*	295	302.50C	892.38	
1392	1	B STR	RS035	6953	*	410	277.50C	1,137.75	
1393	1	B HFR	CP022	6955	*	295	315.00C	929.25	
1394	1	B HFR	RS045X	6960	*	555	200.00C	1,110.00	
1395	1	B STR	WALT33	6947	*	260	342.50C	890.50	
AVG: HFR: 387 @ 255.71				Cool-id:USA		16 hd	6380 lb	\$16,479.41	
AVG: STR: 418 @ 262.28									
							COMMISSION	494.39	
							BRAND INSP.	13.60	
							INSURANCE	49.44	
							0016 FEED	28.00	
							BEEF COUNC	32.00	
`*' indicates manually entered weight							\$617.43		
SPECIAL REPLACEMENT FEMALE SALE SATURDAY JUNE 6									
Net Proceeds							\$15,861.98		



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Making Sense of the Check:

Example 2 – Calves:

16	hd	6380 lb	\$16,479.41
		COMMISSION	494.39
		BRAND INSP.	13.60
		INSURANCE	49.44
		0016 FEED	28.00
		BEEF COUNC	32.00
			\$617.43
JUNE 6		Net Proceeds	\$15,861.98

Commission: 3% of gross
Brand Inspection: \$0.85/head
Insurance: 0.3% of gross
Feed: \$1.75/head
Beef checkoff: \$2.00/head

Total deductions: 3.7% of gross



More Information

- Southern markets generally rely on price commissions: 3-4% of sale price
- Northern markets generally rely on per head commissions: \$25-35/head
- Most markets will not publish their commission models
- Most markets will charge some form of yardage for feed/water
- Beef checkoff and market inspection deductions are standard



Insider's Notes: Market Timing

- Best Times:
 - June through August
 - November through March
- Worst Time:
 - Late September through October



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Insider's Notes: Maximizing Value

1. Quality
2. Condition
3. Uniformity of Group
4. Time of Year
5. Castrating (\$15/cwt)
6. Weaning (\$10+/cwt, seasonal)
7. Value-added shots (7-way is not value-added)



Insider's Notes: How to Top the Market

- English or exotic cross
- Some condition to the animal
- Castrated
- Weaned
- Not crazy
- If in a group, uniform size and condition
- Black color, but not required



Insider's Notes: Who is Buying Volume

Sale Type	Order Buyers	Local Ranchers
Regular sale	80% of calves/yearlings	20%
Older Cows	100% packer buyer	0%
Younger Cows	15%	85%
Premium Sale (yearlings)	70%	30%
Replacement Heifers	85%	15%
Special Replacement Sales	5%	95%



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Cattle Sales vs. Cattle Marketing



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Questions

- Who pays if the animal is hurt or killed?
- When does title transfer?
- Do I have to sell the animal if I do not like the price?
- When is payment for purchases due?
- When is the market required to pay me?
- What if the check bounces?



Example Contracts

- Bill of Sale
- Superior Livestock Auction



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Preparing to Market Cattle



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How Do You Make More?

- **Give Buyers Convenient Way to Reduce Risk and Opportunity to Make Money**
- Convenience:
 - Larger lots of like animals
 - Provide what the buyer wants: may or may not be quality
- Reduced Risk:
 - Healthy animals
 - VAC-45, VAC-34, etc.
- Opportunity to Make Money:
 - More information on cattle
 - Lighter weights vs. heavier weights





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What Information Do Buyers Want?

LOT #3962 64 Feeder Steers ORIGIN: Home Raised CURRENT LOCATION Farm, 3 mile(s) E of Wellsville, MO which is 60 miles E of Columbus, MO BREED TYPE: Out of pred. Angus & BWF cows by pred. Black Angus & some Horned Hereford & Charolais bulls. Approx. 80-90% Black, BWF, 10-20% Charolais cross or RWF. 20 month harvest by date 11/10/12. FRAME: Med - Med Lg EST. WT. VAR.: Uneven FEED: Fescue & clover pasture & 5# soy hull pellets. No grain. DELIVERY May 29-June 6 Rep's option FOB Pens WEIGHING COND: Gather ASAP & weigh on ground w/a 3%. COMMENTS: Banded. Filmed after big rain, carrying mud @ filming but should be clean @ delivery. Running out. VACCINATIONS: Tested PI Free. VAC 45. 2 rounds Express 5, Pulmoguard, Bar Vac 7 & wormed w/Dectomax. IMPLANTED: Synovex S REPRESENTED BY: Barrett Broadie (620) 635-6128 Age/Source Verified: Micro Beef Technologies (SLA does not warrant harvest date)	Kaplan Farms BASE WT : 765# SLIDE: 5 cents over the base weight FLESH: Medium HORNS: Dehorned	LOT #3965 62 Feeder Steers ORIGIN: Home Raised & Purchased CURRENT LOCATION Ranch, 6 mile(s) W of Crockett, TX which is 165 miles SE of Fort Worth, TX BREED TYPE: Angus, Brangus & Charolais cross. 1/4 or less ear. Few Red & Red Motley Face. FRAME: Med - Med Lg EST. WT. VAR.: Very Uneven FEED: Rye grass pasture & then native pasture. No feed. DELIVERY June 10-30 Rep's option FOB Ranch WEIGHING COND: Gather, load on buyers truck, haul 8 miles & weigh on truck w/a 2%. COMMENTS: Knife cut. Nice set of big framed crossbred strs coming off grass. 35% home raised, bal. purchased local. VACCINATIONS: ViraShield 6, Blackleg & wormed. IMPLANTED: No REPRESENTED BY: Gerald Yeager (979) 218-1540 Age/Source Verified: No	Red Kitchen BASE WT : 775# SLIDE: 4 cents over the base weight FLESH: Medium HORNS: Tipped
LOT #3963 66 Feeder Steers ORIGIN: Purchased Local CURRENT LOCATION Farm, 9 mile(s) W of Happy, TX which is 35 miles S of Amarillo, TX BREED TYPE: English, English cross & English Exotic cross. Approx. 75% Black & BWF, bal. mostly Charolais & Charolais cross w/some Red & RWF. Approx. 20-25% w/mostly touch of ear to 1/8 or less. Big end & any w/1/4 or more ear do not ship. Middle sort from 120 hd. No FRAME: Medium EST. WT. VAR.: Uneven FEED: Dryland wheat pasture & mineral. DELIVERY June 1-11 Rep's option FOB Farm WEIGHING COND: Gather early, drive approx. 2 miles to pens, sort middle size of 120 hd & weigh on ground w/a 2%. COMMENTS: Knife cut. Light condition strs ready to feed. Filmed 5/9/12. VACCINATIONS: Vision 7 twice, Pyramid 10, boosted w/BoviShield Gold, One Shot Pasteurella & wormed w/Ivomec. IMPLANTED: Not by this Owner REPRESENTED BY: Gene Shipman (806) 674-9759	Shipman Cattle Co. BASE WT : 740# SLIDE: 4 cents over the base weight FLESH: Lt Med - Med HORNS: Some Tipped	LOT #3966 175 Feeder Steers ORIGIN: Purchased SLA CURRENT LOCATION Ranch, 4 mile(s) E of Seymour, TX which is 35 miles SW of Wichita Falls, TX BREED TYPE: English & English Exotic cross. Approx. 30% w/up to 1/4 Brahman influence. Approx. 75% Black & BWF, bal. Charolais cross & Red. FRAME: Med - Med Lg EST. WT. VAR.: Uneven FEED: Native grass & graze out wheat pasture. DELIVERY May 21-25 Rep's option FOB Ranch WEIGHING COND: Gather ASAP, load on buyers trucks, haul 4 miles & weigh on trucks w/a 2%. COMMENTS: Knife cut. Nice set of feeders. VACCINATIONS: VAC PRECON. 7-way, One Shot & BoviShield Gold 5 upon arrival. Boosted w/same 2 weeks later. IMPLANTED: Not by this Owner REPRESENTED BY: Clay Murray (817) 307-0267 Ed Murray (806) 787-7604 Age/Source Verified: No	Kottke Cattle Co. BASE WT : 775# SLIDE: 4 cents over the base weight FLESH: Medium HORNS: Few, Tipped





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Who Is Your Competition?

- January:
 - Scarce, hard to find
 - Some double rotation calves
 - South TX sale barn calves
- February:
 - Early wheat cattle
 - South TX winter weeds and market cleanup
- March:
 - TX Panhandle, OK, KS wheat yearlings
 - Few sale barn cattle
- April:
 - End of wheat cattle
 - GA, AL, FL fresh calves
- May:
 - Graze-out cattle from wheat and TX oats
 - MS rye grass cattle



Who Is Your Competition? (cont'd)

- June:
 - Sale barn calves and graze-out cattle
- July:
 - OK Osage and central TX yearlings
 - Light FL calves
- August:
 - FL calves
 - Few south TX calves
- September:
 - NM grass and KS Flint Hills yearlings
 - CO weaned calves
- October:
 - NM and CO high country calves
 - Clean-up grass yearlings
 - TX weaned calves



Who Is Your Competition? (cont'd)

- November:
 - Clean-up all classes
 - Sale barn lightweights
- December:
 - Mexican border, if open
 - Clean-up trade for first 15 days
- Key Questions:
 - When is trade volume highest and lowest?
 - When are feedyards most full?
 - Which cattle perform the best?



What Are They Worth?



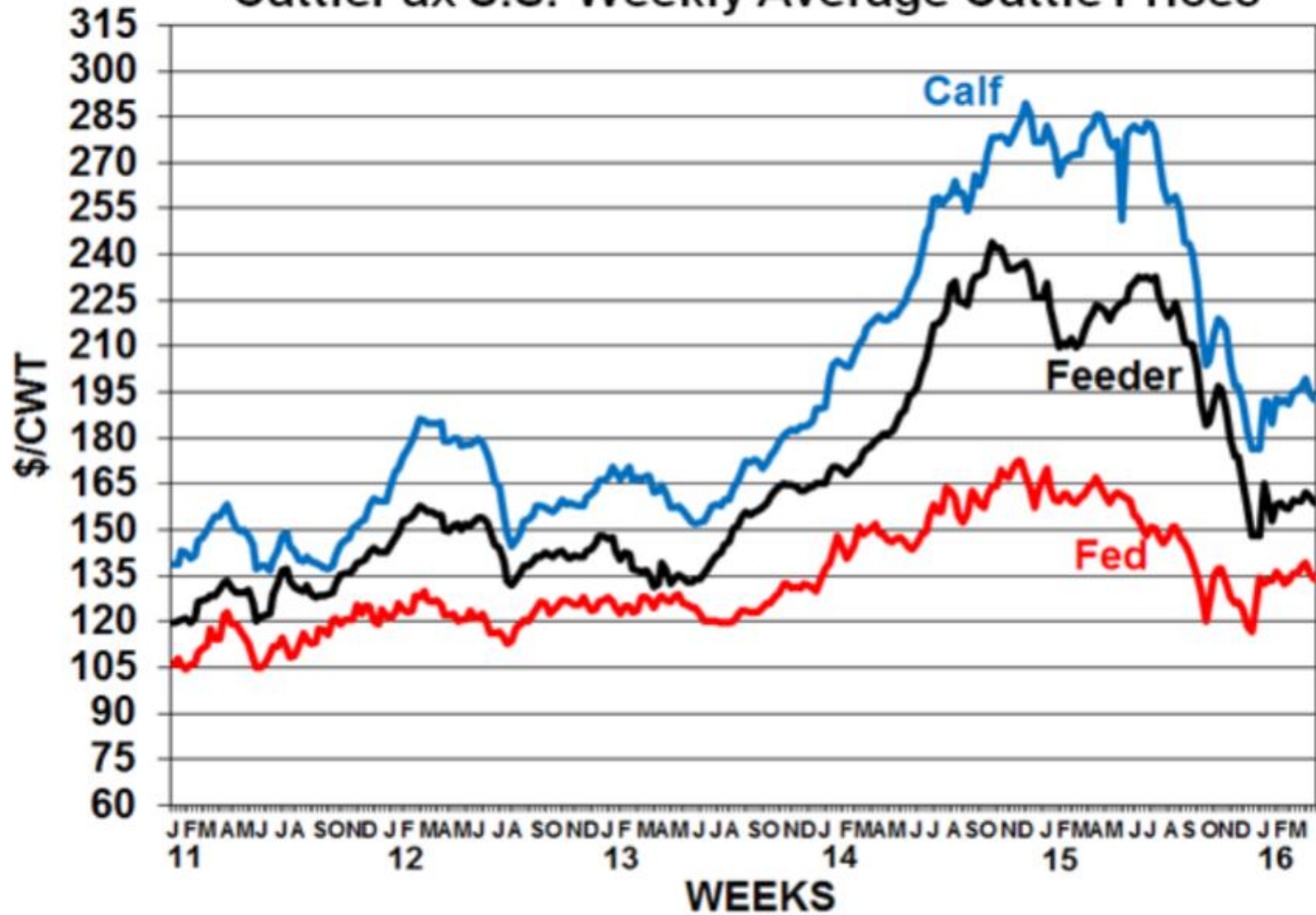
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Calf and Feeder Prices

- Primary Influences:
 - Supply of like cattle
 - Demand: primarily feedyard profitability
 - Availability of/Cost to grow animals:
 - Pasture, hay, etc.
 - Corn: rule of thumb is that a \$0.10/bu change in corn = \$1.00/cwt change in feeder cattle
 - Other factors such as consumer demand at retail have some effect but it is muted due to the mature of the supply chain



CattleFax U.S. Weekly Average Cattle Prices



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Cow Prices

How Much is a Bred Cow Worth?

550-lb. Calf Price	% Chng vs. 2013	% Chng vs. F2014	Bred Cow at 1.5x	Bred Cow at 1.65x
\$200	+19%	-17%	\$1650	\$1815
\$210	+25%	-13%	\$1733	\$1906
\$220	+31%	-8%	\$1815	\$1997
\$230	+37%	-4%	\$1898	\$2087
\$240	+43%	0%	\$1980	\$2178
\$250	+49%	+4%	\$2063	\$2269
\$260	+55%	+8%	\$2145	\$2360
\$270	+61%	+13%	\$2228	\$2450
\$280	+67%	+17%	\$2310	\$2464



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Numerous Free Market Reports

- See handout



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USDA Market Reports

Amarillo Livestock Auction - Amarillo, TX
Feeder Cattle Weighted Average Report for 04/11/2016

Receipts: 674 Last Week: 852 Year Ago: 1042

Compared to last week: Feeder steers and heifers sold steady to 2.00 lower on limited comparable sales. Trade activity and demand were light to moderate. Thunderstorms in the area helped curbed receipts over the weekend but the moisture was much needed. Slaughter cows and bulls were 1.00 to 2.00 lower on a light test. Slaughter cows and bulls made up 3 percent, 1 percent replacements and 96 percent feeders. Feeder supply consisted of 28 percent steers and bulls, 72 percent heifers. Approximately 42 percent of the run weighed over 600 lbs.

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price
3	386	386	215.00	215.00
4	495	495	179.00	179.00
5	512	512	179.00	179.00
8	598	598	160.00	160.00
5	782	782	151.00	151.00

Feeder Steers Medium and Large 1-2

Head	Wt Range	Avg Wt	Price Range	Avg Price
9	332-343	337	194.00-200.00	197.28
4	367	367	189.00	189.00

Feeder Steers Medium and Large 2

Head	Wt Range	Avg Wt	Price Range	Avg Price
14	380	380	180.00	180.00
8	547	547	151.00	151.00
3	720	720	143.00	143.00

Feeder Steers Medium and Large 2-3

Head	Wt Range	Avg Wt	Price Range	Avg Price
5	520	520	135.00	135.00

Feeder Holstein Steers Large 3

Head	Wt Range	Avg Wt	Price Range	Avg Price
4	583	583	105.00	105.00

Feeder Heifers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price
3	266	266	194.00	194.00
2	375	375	193.00	193.00
10	402-440	421	169.00-181.00	174.73
8	538-541	539	160.00-165.00	163.12
12	574-595	578	153.00-156.00	155.48



Private Market Reports: Decatur

Consignments from April 11, 2016, from 204 sellers were 1041 head including: 17 Bulls, 197 Cows, 31 Calves, 142 Horns, 204 Stocker Heifers, 220 Stocker Bulls/Steers, 160 Feeder Heifers, 70 Feeder Steers. Average price = \$787. Last sale = \$878. A year ago = \$1257. 40% decrease in price from a year ago sure makes it hard to explain the market especially when last week was better than it should have been. \$10-\$15 drop in all weight classes from last week's market. Packer prices down \$7-\$8/cwt. Demand still strong for take home bred cows and pairs - they are the only thing that seems to stay steady.

STEERS					HEIFERS			
WEIGHT	LOW	HIGH	WT/AVG		WEIGHT	LOW	HIGH	WT/AVG
200-299	120	250	228.50		200-299	147.5	240	188.93
300-399	85	215	183.00		300-399	87.5	180	154.45
400-499	77.5	185	158.81		400-499	80	170	151.29
500-599	117.5	185	161.73		500-599	120	160	145.98
600-699	140	167.5	152.89		600-699	110	162.5	139.63
700-799	NT	NT	NT		700-799	NT	NT	NT
800-899	NT	NT	NT		800-899	NT	NT	NT
900-999	NT	NT	NT		900-999	NT	NT	NT



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Private Market Reports: Eastland

Feeder Cattle : Steers steady Light weights \$3.00 - \$8.00 lower heavy weights \$5.00 higher

Slaughter Bulls & Cows: Bulls steady Cows Steady

BRED COWS & PAIRS:Bred cows steady No pairs offered

Feeder Steers:

<i>Med. & Large #1</i>	
300 lb - 400 lb	185.00 - 191.00
400 lb - 500 lb	171.00 -* 180.00
500 lb - 600 lb	160.00 - 164.00
600 lb - 700 lb	151.00 - 157.00

300 lb - 400 lb	175.00 - 183.00
400 lb - 500 lb	158.00 - 163.00
500 lb - 600 lb	150.00 - 155.00
600 lb - 700 lb	140.00 - 145.00

<i>Med. & Large #3</i>	
300 lb - 400 lb	160.00 - 168.00
400 lb - 500 lb	146.00 - 150.00
500 lb - 600 lb	
600 lb - 700 lb	

Slaughter Cows:

High Dressing	72.00 - 91.00
Low Dressing	55.00 - 61.00

Bred Stock Cows:

Choice	\$1,350.00
Medium	1100.00 - 1200.00
Aged	

Feeder Heifers:

<i>Med. & Large #1</i>	
300 lb - 400 lb	155.00 - 162.00
400 lb - 500 lb	160.00 - 170.00
500 lb - 600 lb	163.00 - 183.00
600 lb - 700 lb	133.00 -140.00

300 lb - 400 lb	145.00 - 150.00
400 lb - 500 lb	164.00 - 165.00
500 lb - 600 lb	130.00 - 138.00
600 lb - 700 lb	120.00 - 127.00

<i>Med. & Large #3</i>	
300 lb - 400 lb	
400 lb - 500 lb	140.00 - 155.00
500 lb - 600 lb	120.00 - 125.00
600 lb - 700 lb	102.00 - 115.00

Slaughter Bulls:

High Dressing	91.00 - 97.00
Low Dressing	

Cows w/calves:

Choice	
Medium	
Aged	

Buyers 12

Sellers 36

Head 129



Private Market Reports: West

MARKET REPORT OF TOTAL HEAD: 1070

Market Analysis for sale of 04/14/2016:

Packer bulls - \$4 lower. Packer cows - \$5 to \$6 lower. Good young pairs - \$100 higher. Bred cows - steady but quality cows are not coming to town! #1 stocker steers and heifers - good cattle - steady, plain cattle - \$2 to \$3 lower. #1 feeder steers and heifers - good cattle - steady, plain cattle - \$2 to \$3 lower. Fertility tested young bulls sold up to \$2800. Participating in this sale were 183 consigners and 83 buyers.

High Yielding Slaughter Bulls -----	\$90.00	\$99.00	per cwt.
Medium Yielding Bulls -----	\$85.00	\$92.00	per cwt.
High Yielding Slaughter Cows -----	\$75.00	\$83.00	per cwt.
Medium Yielding Slaughter Cows -----	\$65.00	\$75.00	per cwt.
Low Yielding Cows -----	\$60.00	\$72.00	per cwt.
Fat Cows -----	\$70.00	\$75.00	per cwt.

Good Young Pair -----	\$1,650.00	\$2,650.00	per pair
6-8 Year Old Cows with Light Calves at Side -----	\$1,325.00	\$1,750.00	per pair

Good Pregnancy Tested Cows -----	\$1,250.00	\$1,575.00	per head
Good Pregnancy Tested Cows 6-7 Years Old -----	\$1,000.00	\$1,100.00	per head

#1 TYPE STEERS

200# - 300# -----	\$225.00	\$310.00	per cwt.
300# - 400# -----	\$200.00	\$247.00	per cwt.
400# - 500# -----	\$160.00	\$188.00	per cwt.
500# - 600# -----	\$150.00	\$171.00	per cwt.
600# - 700# -----	\$145.00	\$152.00	per cwt.

#1 TYPE HEIFERS

200# - 300# -----	\$190.00	\$220.00	per cwt.
300# - 400# -----	\$170.00	\$205.00	per cwt.
400# - 500# -----	\$150.00	\$168.00	per cwt.
500# - 600# -----	\$145.00	\$160.00	per cwt.
600# - 700# -----	\$135.00	\$146.00	per cwt.



Things to Remember About Market Reports

- Why was that animal the highest price?
- What quality was it?
- What condition was it in?
- What did it weigh?
- How many were sold at that price?
- What had been done to that animal?



Niche Markets



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Niche Markets

- Producing a product for a unique, specialty market: organic, natural, grass fed, etc.
- Why?:
 - Additional value
 - Unique resources
- Why not?:
 - Where are the buyers?
 - Extensive investment may be hard to recoup
- Consider your business plan and resources before starting to produce for a niche market



Stair Steps to Profitability

+ \$4 to \$9/cwt.

Performance History
(feedlot/carcass)

+ \$0 to \$9/cwt.

Natural and Premium Programs
(management/breed)

+ \$2 to \$6/cwt.

Certified Vaccination

+ \$6 to \$7/cwt.

Weaned

Average Cattle = Average Price



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Organic Beef

Advantage

- Some premiums available



Disadvantages

- Beef must be verified through USDA National Organic Program (NOP)
- Significant startup and ongoing verification
- Difficult process to master and sustain



Grass Fed Beef

Advantage

- Some premiums available

Disadvantages

- Beef must be verified through USDA AMS
- Some startup and ongoing verification, though much easier than organic
- Forage supply must be a priority
- Higher cost of gain and longer time to get paid



Non-Hormone Treated Cattle (NHTC)

Advantage

- Good premiums available through mainstream feedyards and packers

Disadvantages

- Beef must be verified through USDA AMS
- Some startup and ongoing verification, though easier than grass fed and organic
- Good documentation is required



Export Markets: Japan, Taiwan, Russia, etc.

Advantage

- Premiums have been minimized

Disadvantages

- Require USDA program verification
- Require additional record-keeping
- Require some supply chain controls
- Need to connect with downstream premiums



Specialty Breeds: Wagyu, Akaushi, etc.

Advantage

- Premiums may be available

Disadvantages

- Significant initial investment
- Require additional record-keeping
- May have supply chain requirements
- “Coop” approach does not work for all



Marketing Your Own Beef

- Difficult, time-consuming process
- Federal and state regulations apply
- Find a knowledgeable processor
- <http://www.sare.org/publications/beef/beef.pdf>



Questions?



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