

Fall Cattle Run for Cow-Calf and Stocker Producers

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The fall cattle run always starts in late September and holds through most of November as cow-calf producers market their winter and spring born calf crop. This marketing timeframe can offer advantages and disadvantages to both the cow-calf producer and the stocker producer. This article is meant to outline some decisions to be made during this time period to capitalize on what the market is offering producers.

Cow-calf producers are the lifeblood of the cattle industry in that it requires someone breeding cows and producing calves to start the entire process. Given that many cow-calf producers' primary calving season is in the winter and early spring, calves are generally weaned between September and November. The decision to be made today is to wean the calf and market it immediately or to wean the calf and provide a preconditioning program for that calf for the next 60 to 90 days. The 45-day preconditioning program has been the standard for several years, but cow-calf producers should take advantage of the weight gains that come well after 45 days.

Thus, the decision to market straight off the cow will generally result in producers hitting the bottom of the market during October and November as these calves are plentiful and they are high risk. Marketing calves at this time does free up feed resources for the cow herd and thus reduce winter feeding costs. However, many of the forage resources across Tennessee and the Southeast are in good shape due to the favorable growing conditions throughout most of the summer. (This may have changed by the time it reaches readers.)

If grazable forage is still readily available or if hay supplies are abundant then producers may find it advantageous to carry calves into late December or even into January to capitalize on weight gain and increasing prices. Prices for 500-600 and 600-700 pound steers have increased nine out of the last ten years from December to January and eight out of the last ten years for 700-800 pound steers. The average price increase depending on the weight class has been \$6 to \$10 per hundredweight, which does not include the price increase that would probably be experienced from November to December.

The stocker producer is also at a point where he or she has to make some decisions. The fall run of calves often provides a large supply of calves ready to start growing, but there always seems to be several with health issues in the bunch. The first thing most producers are going to look at is the value of gain. Given the price of calves weighing between 400 and 600 pounds in Tennessee the first week of September and the expectation of carrying calves for 150 days with an average daily gain of 1.5 to 2.0 pounds per day, the value of gain on calves is over \$1.50 per pound when buying singles and then marketing in 50,000 pound lots. This value seems extremely high, but this value is high because the risk of sick calves during the October time period.

Cow-calf producers may not be able to capture as much value in a calf as a producer who is putting together 50,000 pound loads of cattle, but the cow-calf producer has a little more influence on the health of their calves than a stocker producer does. Thus, the cow-calf producer is not incurring the same risk, nor are they incurring the same costs as the stocker producer. Regardless of the operation, there appears to be an opportunity for growing calves this fall and winter if the feed resources are available.

The cow-calf producer has to weigh if holding calves will result in any negative influences on the cow herd while the stocker producer has to weigh the risk associated with sourcing calves and the value of putting pounds on an animal. These are decisions that are often made each year by producers without giving it much thought. However, it is important to consider the financial feasibility of all alternatives available to a producer. Sometimes it is worth the risk just to try something new to see if one can be successful at the new endeavor. This may be the year to try something new.