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Drought Marketing of Early Weaned Calves
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Introduction

There are several ways that beef producers can deal with a severe drought including culling cows and early-weaning calves. This paper addresses the economics and some marketing issues associated with early weaning calves. Marketing concerns with cows are addressed in “Drought Marketing of Cull Cows (AGECON-06-114)”.

Cattlemen considering early weaning calves have three basic questions.

1. Should I early wean my calves?
2. If I do early wean, do I sell now or precondition them?
3. What will be the market response if “a bunch of cattle hit the market at one time?”

In answering these questions, there are two main things to remember:

1. Cattlemen should focus on profits (or reducing losses) not price,
2. This drought has already forced the liquidation of cows and calves in the other parts of the country so the likelihood of a “price-crash” in the market is less than you think.

Should I Early Wean My Calves?

In a nutshell, early weaning is profitable if the savings in feed costs from not having to maintain a lactating cow plus the value of an early weaned calf is greater than the expected value of the calf left on the cow. A helpful formula to remember is:

Profits from early weaning = Current Feeder Calf Value + Feed Savings - (Value of Calf Left on Cow)

Where :

Current Feeder Calf Value = Current Calf Weight X Current Calf Price

Value of Calf Left on Cow = Expected Weight x Expected Price

Additional Feeding Cost is the extra cost to maintain the cow and calf for later weaning

In addition to feed savings, producers should also consider the additional benefits of early weaning on reproductive performance next year as well as the likelihood that calves left on the cow may not gain as well this year as in years past. So in all probability, early weaning this year is advisable, especially for producers in a stressed pasture situation.

If I Do Early Wean, Do I Sell Now Or Precondition Them?

The decision to market now or precondition early weaned calves boils down to whether cattlemen will net more money selling calves now as opposed to later. A short answer is **cattlemen on a defined calving season of 90 days or less should definitely consider preconditioning their calves before selling because they can be marketed as a group.** For cattlemen with calving seasons greater than 90 days, preconditioning more than 30 days can still be profitable as in all likelihood shrink will be reduced and there will be more net weight to market. However, if producers cannot precondition their calves at least 30 days they should consider marketing them immediately.

More information on preconditioning calves including feeding programs, vaccination programs and marketing can be found in Extension Bulletin 896 “Preconditioning and Receiving Calves”. An electronic form of the bulletin is also available at www.ugabeef.org.

What Will Be The Market Response If “A Bunch Of Cattle Hit The Market At One Time?”

The concern about a glut of calves hitting the market at one time is certainly a valid concern. However, there are several key points producers should realize. First, this drought has been occurring nationwide since late last fall. As a result, many calves in the major cow-calf regions have already been moved.

According to data from USDA total calf and feeder cattle marketings for 2006 are running about 1.5% behind 2005. However, since June, marketings are running 9% above the same time period for last year. Even with these increased marketings calf prices have remained fairly stable. Also, current crop reports indicate a very good U.S. corn crop this year so cattle feeding costs should remain very favorable. Bottom line, **there is a very low probability that large runs of calves and feeder cattle will depress prices.** As a result, producers should not let concerns about a price wreck in the calf sector cause them to delay early weaning and marketing drought affected calves.

Summary

Cow-calf producers with limited feed resources should consider early weaning their calf crop. If a cattleman can precondition calves for at least 30 days he should consider doing so. It is unlikely that we will see a major price break in calf prices due to large numbers of calves being weaned early.