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Integrity Beef pays dividends in high cattle markets

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Preconditioning programs adhere to the old cliché that you have to spend money to make money. However when evaluated on a

return to investment, or net margin basis, preconditioning ranch-raised calves is still one of the most lucrative phases and safe investments of cattle production available to the cow-calf producer. The 2014 cattle market may have been the high of the present cycle; however, 2015 still looks to be a favorable marketing year for cow-calf producers. One of the best ways I can think of to add value to your calves is to enroll them in a value-added calf program such as the Integrity Beef Alliance's preconditioned calf program.

The Integrity Beef Alliance is a comprehensive beef production system that produces the highest

Advantages to Alliance Affiliation:

- Implementation of best management practices
- Improved health status
- Reduction of shrink
- Increased total pounds of cattle sold off the ranch
- Sell cattle in larger lots
- Sell at a better time of year
- Third-party verification adds value

quality calves possible for the next supply chain owner and consumer while improving returns for ranchers through value-added traits. Integrity Beef Alliance emphasizes progressive management methods, ranch stewardship and humane care of all livestock. The Alliance includes a terminal production system that uses a VAC-60 preconditioning program. Through uniform and elevated standard management practices, Integrity Beef producers' cattle far surpass industry standards for performance, quality, health and behavior.

Large and small ranches benefit equally from participating in Integrity Beef Alliance through implementation of best management practices and increased marketing venues, replacement cattle and ranch supply procurement support.

Some of the factors that ensure success for the Alliance members and their calves are: improved health status of the calves and cow herd, reduced shrink at sale time, increased total pounds of cattle sold off the ranch, selling into a better markettime of the year, selling calves in larger lot size at the commingled calf sale and third-party verification of practices implemented on the ranch. All of these factors add up to more total dollars being made off the ranch yearly.



Recently, the Alliance hosted a guest speaker at a program who was an order buyer for several major Midwest feedyards. When asked what are the three major factors valued when buying cattle, he listed his top three as: 1) health, 2) health and 3) genetics. He stated because of the high cost of cattle, most buyers are willing to spend a little more to buy calves that have received a comprehensive health program to ensure, as much as possible, that they will be healthy and not die. In today's economic environment, one dead calf can instantly turn a closeout from profit to loss. Genetics still matter because once the calf has received the proper vaccinations and remains healthy, it must be able to perform well in the feedyard and still hang well on the rail at the packer.

In 2014, the average spring-born calf sold at the Integrity Beef Alliance commingled sale in early December weighed 765 pounds and sold for ►

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\$365 more than what it was worth at weaning. It cost an average of \$120 per calf to precondition for 60 days with an aggressive feeding program. The preconditioning program net profit averaged \$245 with a range of \$132 to \$408 per head profit due to the preconditioning program.

In the table, the cost of gain, value of gain and margin are represented in dollars per pound for the past six years of the program. The lowest net profit, or margin, in the past six years

was in 2012 and still was 55 cents per pound of gain. The highest margin was 2014 at \$1.46 per pound. Over the past six years, the average net profit has been 94 cents per pound of gain. This demonstrates the ability of preconditioning to add profit for the cow-calf producer.

So, if you are looking for a marketing advantage or a way to produce the best quality cattle for your ranch, consider the Integrity Beef Alliance to help meet your goals. Contact me,

Robert Wells, at rswells@noble.org or 580.224.6434 for more information. ■

Value vs. Cost of Gain

