



Thinking About a Preconditioned Feeder Calf Sale?

Rick Machen, Ph.D
Associate Professor & Extension Livestock Specialist
TAMREC, Uvalde

Purpose

The purpose of preconditioning and process verification for stocker/feeder calves is to minimize the morbidity and mortality experienced by calves as they move from their home ranch into the beef production system.

The program is based on:

- a minimum 45 day weaning period
- a series of two modified live respiratory complex (IBR, PI₃, BVD, BRSV) vaccinations 14-21 days apart. (Preferably, the second vaccination will occur at least 14 days prior to sale.)
- a series of two 7-Way Clostridial vaccines given on the same schedule as the viral vaccines mentioned above
- a Pasturella vaccine given during the first round of vaccinations
- treatment for internal parasites (and external parasites if present)

It is recommended that the calves be held in the pen for a minimum of 3-5 days after weaning. A high quality preconditioning ration should be offered twice daily and cool, fresh, clean water should be available. The remaining 40+ days of the weaning program will likely be most economical and efficient if done in small pastures, grass traps or improved pasture. Supplementation with cubes, cake or a grain-meal mix may be necessary to achieve the desired gain of 1-1.5 lb/day.

Considerations:

1. Know the market price required to cover the cost of production.

If that value is more than \$5-8/cwt *greater than* the value of the calves at weaning, have a long visit with commission company personnel or other market experts before proceeding with a preconditioning program.

2. Realize that a preconditioning program will not change the muscle or frame score of feeder calves.

If they are M-2's at weaning, they will still be M-2's on sale day. Accurate assessment of the quality of the calves is critical to predicting their performance in a sale. Perceptions indicate that as quality declines, so does the magnitude of the "premium" offered.

3. Sort off any calves that “won’t fit” load lots of calves on sale day. Sell these at weaning.

Whether it is color, quality, size, age, condition, weight, disposition, phenotype, tail shape or whatever. Calves not included in load lots and consequently sold as individuals at the end of the sale typically sell at a discount to their herdmates.

4. Realistically calculate what the preconditioning program will cost.

Vaccines + anthelmintic = a minimum \$6 -10 per head (essentially, a fixed cost)

If you accept the minimum medicine cost above AND want to keep the total per head cost of the program (before pasture cost, interest, labor, capital equipment, depreciation, etc.) at or below \$25, you can spend no more than \$15 - 19 per head on pasture, hay, supplement and/or feed. That equates to spending less than 35¢ per head per day. To put that in perspective, if a supplement is fed 40 days and costs \$200/ton, maximum amount allowed (daily) is 3.5 lb.

Realistically, \$25 per head is about the minimum a producer can expect to invest. On a 500# calf, that is a \$5/cwt investment (ignoring postweaning gain).

Realistically evaluate the magnitude of potential premiums.

Feeder calf market prices influence the “premiums” that can be paid for preconditioned and process verified calves. For example, consider the spring 2000 feeder calf market. Feeder calves were in short supply. Feedyard costs of gain (\$/cwt) were in the mid to high \$40's. Consumer demand for beef was on the rise. Feeders less than 600 lbs were bringing a significant premium relative to their value as fat cattle on the CME board. When 500# steer calves of unknown breeding or background brought \$110/cwt or more, was it realistic to expect an additional \$5-8 premium on similar calves that had been backgrounded?

5. Evaluate the potential pitfalls.

Timing - The *minimum* acceptable weaning period is 45 days. Research indicates that longer preconditioning periods are not necessarily more effective. Potential buyers coming to the sale expect a 45 day weaning period and are not prepared to pay additional premiums for longer weaning programs. Days 46 to ? cost additional dollars and add to accidental death risks. Therefore, plan your program as close to 45 days as possible. Precaution: Long weaning periods have the potential to move weaned calves into a yearling market. There is very little (if any) demand for preconditioned yearlings.

Sickness - Calves weaned and backgrounded on the ranch where they were born typically experience little or no health problems. However, if sickness did occur, the additional medicine costs and reduced performance could easily consume any potential premiums on sale day. Furthermore, fatalities due to broken necks, choking, strangulations, bloat, enterotoxemia, etc. quickly eliminate the profitability of a preconditioning program.

Facilities (corrals, pens) need to be in good working order BEFORE attempting this program. The patch-on-the-fly program simply won't work!

Nutrition Program - Often the biggest cost, yet greatest opportunity. Most producers will tend to spend too much on feed, hay and supplement. The gain target over this 45 day period is 1.5 lb per day. Few producers can realize this gain on grass alone - thus supplementation is usually warranted. Contact an Extension Specialist or beef cattle nutritionist for assistance with development of a nutrition program.

In general:

- hay is expensive relative to its efficiency of use and the performance (gain) it yields
- confinement feeding is seldom an economically feasible option
- calf performance on bermudagrass in late summer or fall is typically less than expected
- forage quality is of paramount concern - nutrient requirements as a function of body weight are at their lifetime high. Again, IF calves are expected to gain 1.5 lb per day for 45 days, supplementation will likely be required.

Freight - If the host commission company is not your traditional marketplace or is significantly further away, carefully evaluate the freight expense. Commission company personnel can be a huge help.

Freight rates are less expensive (\$/head transported) for trucks than pickup and trailer. Typically, truck rates are \$2 per loaded mile (50,000 lb per load), while gooseneck trailers rates are \$ 1.25-1.50 per mile for a 14,000-21,000 lb load. Pooling calves with a nearby producer could fill a load and reduce freight expense.

Shrink - Backgrounded calves typically exhibit less shrink than fresh weaned calves. Nevertheless, predict what that shrink will be and include it in your calculations. (*Hint: Cattlemen who have always sold at weaning and never weighed a calf on the ranch haven't a clue what shrink has been doing to them.*) Check with the host commission company to understand how they will handle shrink.

The Sort - A heavy sort at the commission company can result in too many calves being sold individually, usually at a discount to the load lot price. Discuss your calves and the sorting procedure with the host commission company personnel.

Market slide - If the market is expected to fall during the 45 day preconditioning period, proceed with caution. Even small market declines of \$2-4/cwt, when added to the \$5+/cwt investment in the postweaning program, can become significant profit stealers..

6. Capitalize on the benefits!

Those benefits include:

- **selling in large groups** of like kind, weight, condition and quality. It is well accepted that calves sold in groups command a premium compared to those same calves if sold individually.
- **building a reputation.** Cattle buyers know where the good ones come from and they come back to get them time after time. What a pleasure - having someone ask for your calves. What a switch from dropping them off and hoping someone would pay top dollar ...
- **producing a better product.** Preconditioned and process verified calves are less risk to the feeder or stocker operator. Calves that never get sick perform better in the feedyard, have a greater chance of grading Choice and are more likely to produce a positive eating experience for the beef consumer.

Positive eating experiences.

Don't they fit somewhere in the beef industry's long range plan?