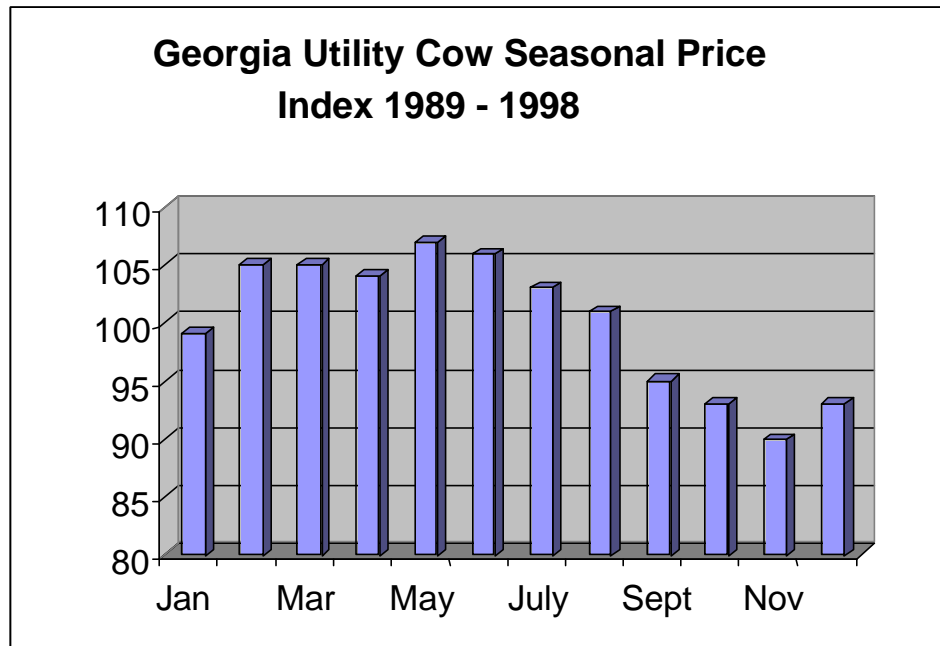


**Production Enhancement – Marketing Cull Cows**  
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Cull cows make up about 20 % of the income from a cow-calf herd. Many of us pay little attention to this marketing opportunity; indeed our mindset is “we are just glad to get rid of them.” When cull cows are sold, little thought is directed to maximizing their value. Unfortunately culling generally takes place in late fall, when cull cow prices are at their seasonal lows. These factors contribute to a decreased income from cull cow sales. We need to design specific plans for increasing the profitability of our cull cows.

There are three factors we should consider in deciding whether to sell cull cows or retain and feed them in an attempt to increase cull cow profitability: (1) the seasonality of cull cow prices, (2) the price difference between grades of cows, and (3) the cost of feeding cull cows.

Cull cow prices follow a consistent seasonal pattern. Georgia cull cow prices are the lowest in October, November, and December and are the highest in February through June.



From this chart, developed by UGA Ag Econ, we can see that the best marketing opportunities for cull cows are before September. If we can identify open cows early, we will have a marketing advantage. Early pregnancy checking by your veterinarian can help you identify open cows early and market them before price decline in the fall. If cull cows are not identified until the fall, it may be profitable to keep and feed them until February. The basis for that decision is the price difference between cow grades, seasonal cull cow values, and the cost of feed.

Cow grades from the poorest to the best are Canner, Cutter, Utility, Commercial, Standard, and Select. These grades are based on the age of the cow, amount of intra-muscular fat and muscle texture and color. Only a few very young cows will grade in the

upper grades of standard or select. The following chart shows the percent of increased dollar value of cull cows by increasing their grade.

	Cutter	Utility	Commercial
Canner	9%	14%	15%
Cutter		5%	6%
Utility			1%

For example, if we could start with a canner grade cow and increase her grade to utility she would increase in value by 14% on a per pound basis. Today's markets show low-dressing 850-1200 pound cows (canners) at 37.00 and high-dressing 850-1200 pound cows (utility) at 42.00. If we have a 900-pound cutter grade cow in December, she is worth 37.00 per 100 pounds, and a utility is worth 42.00 per 100 pound and we add 150.00 pounds in 60 days of feeding. We increased the value and grade from  $900 \times .37$  (canner price) = 333.00 to  $1050 \times .42$  (utility price) = 441.00 or \$108.00 increase per cull cow. That is a gross return per pound of gain of .72. Assuming we graze these cull cows during the winter on well fertilized ryegrass, supplement them with cottonseed and mineral, and implant them our cost to put on a pound of gain should be around .40 per pound. So our net return is .32 per pound  $\times$  150 pounds = \$48.00 per cull cow. These figures are compatible with the Non-Fed Beef Audit (NFBA) of our industry. The NFBA determined that we are losing approximately \$70.00 for each cull cow we market but that it is possible to recoup \$27.50 per non-fed animal by monitoring body condition and an additional \$27.50 by marketing cows in a timely manner.

**Implanting and short term feeding of cull cows is an extremely cost effective procedure for fall cull cows.** It increases the rate of gain on about the same amount of feed by 10 – 20 %. If the dry cow in the above example will gain 3 pounds per day on good roughage, cottonseed supplement, and mineral, we increase her daily gains by 15% or .45 pounds per day ( $3 \times .15$ ). Even if we were not able to increase her grade and her value was only canner price (37.00 CWT), we still increased her value by 45 pounds in 100 days on about the same amount of feed for an added income of \$16.65. The implant investment was less than \$2.00. If we were able to add the increased gain and upgrade the carcass from a canner to a utility grade, we could reasonably expect a gross return of .72 per pound of gain  $\times$  .45 pounds per day  $\times$  (100 days duration of the implant) = \$32.40 from a single implant costing less than \$2.00. That is a great return on an investment.

According to the 1997 NAHMS beef study, there are four major reasons producers cull cows: 40% are culled for age, 24% for pregnancy status, 19% for economic reasons and 6% for poor production. Because replacement costs are so high our most profitable cows breed early as heifers, wean a profitable calf each year and stay in our herds for eight to ten years. The real question of profitability goes back to the reason for culling these cows in the first place. If we maintain a constant cow number, keep cows in the herd for 8 plus years and have an open cow rate of 10% or less and still cull some cows on poor production we should cull less than 25% per year. With good heifer development, biosecurity program and proper cow nutrition we can reduce the need to

cull open cows. **The goal is to decrease the number of cull cows per year and increase the value those cows we must cull.**