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Farm to Feedlot Contest Results – More than Meets the Eye

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Earlier this year, Mississippi beef producers were challenged to predict which three calves in the Farm to Feedlot Contest would be most profitable beyond the farm gate. Pictures, weights, and live prices for 10 randomly selected steers in the 2003-2004 Mississippi Farm to Feedlot program appeared in the January and April issues of *Cattle Business in Mississippi* along with contest guidelines. The results were pretty interesting.

Grids

For contest purposes, fed cattle were priced on a grid basis. In actuality, the cattle enrolled in Farm to Feedlot were sold on a live weight basis to try to make the most money for consignors based on market conditions. The contest grids favored cattle grading USDA Choice or higher and USDA Yield Grade 3 or less. Discounts were imposed for any USDA Select and Standard Quality Grades, USDA Yield Grades 4 and higher, dark cutters, hard bones, and out weights. Among the 10 contest steers, there were no dark cutters, hard bones or cattle hanging carcasses weighing less than 550 lbs. or over 950 lbs.

The grids used for the contest were representative of actual industry grid pricing at the time of each closeout. Cattle were harvested on four dates this year: March 25, April 19, April 30, and May 20. Notice that the grids changed quite a bit from late March to late May 2004. Discounts for Yield Grade 4's and 5's were \$6.36/cwt. and \$6.42/cwt. larger, respectively, in May than March. The choice-select spread moved from \$10.50/cwt. to \$20.00/cwt. from March to May as well.

Carcass Premium and Discount Grid – Week of March 25, 2004

	Yield Grade				
	1	2	3	4	5
GRADES					
Prime	12.88	11.33	9.79	-3.85	-8.79
Choice o/+	6.28	4.73	3.19	-10.45	-15.39
Choice -	3.09	1.54	Base	-13.64	-18.58
Select	-7.41	-8.96	-10.50	-24.14	-29.08
Standard	-16.11	-17.66	-19.20	-32.84	-37.78

Base price = \$136.50/cwt.

Carcass Premium and Discount Grid – Week of May 20, 2004

GRADES	Yield Grade				
	1	2	3	4	5
	(\$/cwt. carcass)				
Prime	10.54	9.34	7.71	-12.29	-17.29
Choice o/+	7.60	6.40	4.77	-15.23	-20.23
Choice -	2.83	1.63	Base	-20.00	-25.00
Select	-17.17	-18.37	-20.00	-40.00	-45.00
Standard	-23.50	-24.70	-26.33	-46.33	-51.33

Base price = \$138.88/cwt.

Feedlot average daily gains (ADG) ranged from 2.99 lbs. to 4.11 lbs. for the 10 contest steers. Dressing percentage ranged from 62.3% to 65.4% with the average being 63.8%. Carcass weights ranged from 740 lbs. to 929 lbs. and averaged 829 lbs. Calves with higher growth performance in the feedlot also tended to have higher carcass weights. All 10 steers graded Choice or Select. The average Yield Grade for the cattle grading Select was 1.68, while the average Yield Grade for the cattle grading Choice was 2.81. The general trend was for cattle with higher Quality Grades to have higher (less desirable) Yield Grades and vice-versa, but there were some exceptions. STEER #7 graded mid-Choice and had a Yield Grade of 1.97. Not bad. Yet STEER #7 was ranked 8th for feedlot ADG and hung the lightest carcass of the group. In terms of profitability, STEER #7 ranked just 7th among the 10 contest steers.

Which steers were most profitable?

1st Place – STEER #6



Start weight = 696 lbs.

Start value = \$633.36

Total cost = \$1,017.15

Feedlot ADG = 3.63 lbs.

Carcass weight = 910 lbs.

Quality Grade = Choice –

Yield Grade = 3.00

Carcass Value = \$1,227.77

Profit from feeding = \$210.62

2nd Place – STEER #4



Start weight = 766 lbs.

Start value = \$651.10

Total cost = \$965.08

Feedlot ADG = 3.86 lbs.

Carcass weight = 846 lbs.

Quality Grade = Choice –

Yield Grade = 2.90

Carcass Value = \$1,167.82

Profit from feeding = \$202.74

3rd Place – STEER #8



Start weight = 772 lbs.

Start value = \$656.20

Total cost = \$970.18

Feedlot ADG = 3.29 lbs.

Carcass weight = 825 lbs.

Quality Grade = Choice –

Yield Grade = 2.90

Carcass Value = \$1,138.83

Profit from feeding = \$168.65

Which steer was least profitable?

10th Place – STEER #3



Start weight = 757 lbs.

Start value = \$643.45

Total cost = \$1,051.38

Feedlot ADG = 3.03 lbs.

Carcass weight = 748 lbs.

Quality Grade = Select –

Yield Grade = 1.18

Carcass Value = \$915.03

Profit from feeding = - \$136.35

Only two of the 10 contest steers lost money: STEER #3 and STEER #9. These two steers had the lowest feedlot average daily gains and were among the bottom three steers for carcass weight. STEER #3 and STEER #9 also had the two highest total costs and the two lowest carcass values. Neither steer graded Choice. What does this tell us? Cost, carcass weight, and Quality Grade were important factors in determining feeding profitability.

Tie Breakers

So what were the answers to the tiebreaker questions?

Tie Breaker #1 Answer

The pen of 10 contest steers produced carcasses that were 60% choice.

Tie Breaker #2 Answer

The difference between the highest and lowest net returns among the 10 contest steers was \$346.97. STEER #6 produced net returns of \$210.62 and STEER #3 produced net returns of -\$136.35.

Tie Breaker #3 Answer

The difference in hot carcass weight between the lightest and heaviest steers among the 10 contest steers was 189 lbs. STEER #7 had a hot carcass weight of 740 lbs., while STEER #5 had a hot carcass weight of 929 lbs.

The Bottom Line

Picking out those cattle that will be the most profitable through a finishing phase just by looking and knowing a starting weight turned out to be quite challenging as evidenced by the wide variety of answers submitted on the 10 contest steers. Did perceived breed composition influence predictions of which calves would be the most profitable? Would it have made a difference if health histories of the calves were part of the initial information? Would knowing a little bit more about the genetic potential of the calves up front have helped in identifying the more desirable calves to feed? Finally, how well do you know the genetic and profit potential of the calves on your own farm? The Mississippi Farm to Feedlot program is just one of many opportunities for beef producers to learn more about cattle performance in the feedlot and on the rail.

Thank you to all of the participants in the 2003-2004 Farm to Feedlot Contest, and congratulations to the winners: Duane Gunn of Corinth, MS in the adult division and Ben Bishop of Rosehill, MS in the youth division. They each won their divisions outright with no need to go to the tiebreaker questions and will each receive a whole beef tenderloin, compliments of the Mississippi Cattlemen's Association. For more information about Farm to Feedlot or beef production, contact your local Extension office.