

Cattle Business in Mississippi – May 2005 **“Stocker Cents” article**

Sourcing Stocker Calves

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Stocker cattle come in all sizes, breeds, sexes, weights, colors, qualities, and conditions. Producers buying stocker cattle are in reality forage farmers that utilize these young cattle to convert forage to beef. The most profitable cattle are those that stay healthy and gain weight efficiently on grass. The fancy, fleshly cattle that many cow-calf producers like to produce are in most cases not the most desirable cattle for a stocker operation.

Source of calves can make a significant difference in subsequent calf health and performance in a stocker operation. Research conducted by Texas A&M University showed that stocker cattle sourced out of Mississippi were less likely become ill (26% morbidity) compared to stocker cattle sourced out of Florida (34% morbidity) with death loss and average daily gains being similar among both sets of calves. The same study demonstrated morbidity rates ranging from 28% to 68% and average daily gains ranging from 1.17 lbs. to 1.81 lbs. for groups of calves originating from different regions of Texas. These findings that cattle transported the greatest distances exhibited higher morbidity is consistent with reports from several other research efforts. Therefore, transport distance is worthy of consideration in sourcing stocker calves.

Stocker cattle production losses of 10% to 15% were attributed to castration and respiratory infection in one research trial. Morbid cattle gained from 0.11 to 0.46 lbs. less than healthy cattle depending largely on the length of time morbid. In addition, steers gained 1.63 lbs. per day, while bulls castrated after arrival gained only 1.41 lbs. per day. Thus, castration after arrival reduced average daily gain by 13.5%. Morbidity rates for bulls castrated after arrival were 60% compared with only 28% for steers. With morbidity decreasing net returns by 9.7 to 21.3% per animal in this study, it is apparent that acquiring healthy calves should be a top priority in sourcing decisions. The market discounts often seen for intact bull calves have merit as well.

Video/ Internet sales, auction markets, and farm-fresh calves from neighboring farms are the main sources for stocker cattle. Video sales offer truckloads of steers, heifers, or mixed loads. These calves are from herds that can accurately determine breed makeup by describing breed or breed combination of the cow herd and sire of the calves offered for sale. Purchase weight and weight variation along with quality of calves gives buyers an accurate description. Vaccination and preconditioning program information allow buyers to adjust prices accordingly. Weighing conditions and shrink are also noted in the sales contract. Video sales offer immediate delivery or calves can be purchased for future delivery.

Stocker operations purchase many calves direct from neighboring farms. These calves are purchased with a known genetic makeup and a great variation in management and health practices performed. Farm-direct calves along with calves purchased from video sales often endure less stress when compared to cattle purchased through local auction markets.

Local auction markets offer an additional source of calves for stocker operations. Cattle purchased from this source offer a different set of challenges and opportunities for stocker operators. Auction market calves can generally be purchased at a lower price compared to video sales. The exact genetic makeup and management background of these calves are seldom known. These calves also tend to be more stressed due to the weaning, hauling, and co-mingling at the auction market. Health management challenges and risks are greater because calves generally come from many sources and the health and management programs are unknown. They also offer the greatest financial opportunity because they can be purchased for a lesser price.

Source verification is a term that is becoming more commonly used in beef cattle circles today. As the National Animal Identification System eventually becomes mainstream, source verification will be more easily achieved on a wide scale basis. Mississippi launched its premises identification program in March 2005, and the technology for electronic animal identification systems and animal tracking is already available. The most essential component of source verification is effective and complete record keeping. Record keeping efforts can be used for not only source verification and marketing, but also for general cattle management and selection. While source verification is not mandatory for marketing cattle at the present time, there are producers providing this information on their calves, and there are buyers willing to pay premiums (or waive discounts) for this information. Some market outlets may even require source verification for participation in their marketing programs.

The reputation of the seller is also worth investigating. Producers who have bad experiences with sets of calves from a particular farm or market may be hesitant to return their business or may purchase calves in the future only after factoring in discounts. Reliable suppliers of healthy calves that are ready to grow have essentially created a marketing advantage that may serve them and their customers well.

Stocker operators need to have cattle management, grazing, and marketing plans in place before deciding on the quality, weight, and sex of cattle to purchase. Grazing season and factors impacting forage growth and availability can also impact the type, size, and number of calves to purchase. The carrying capacity of the forage supply and cost and availability of commodity feedstuffs may dictate these specifics in calf purchasing decisions. Planning receiving programs well in advance of cattle procurement and watching market trends is also advisable.

For more information on stocker cattle or related topics, contact your local Extension Service office. Go ahead and also mark your calendars for the Mississippi – Louisiana Stocker Cattle / Heifer Development Short Course to be held on Monday, August 8,

2005. It will take place at the Lincoln County Multipurpose Center in Brookhaven, MS from 9:00 a.m. to 4:00 p.m. Short course topics will include health programs for growing cattle, nutrition and management considerations for the transition from weaning to grass, forage systems for growing cattle, stocker cattle marketing options, working with feedlots, heifer breeding management, electronic ID demonstration, identifying sick cattle, hospital pen considerations, and an injection site and necropsy demonstration. Short course registration information is available through the county Extension offices or on the MSUcares beef cattle website: <http://msucares.com/livestock/beef/>. Next month Stocker Cents will address fencing, water, and shade for stocker cattle.