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### **Market Now or Later?**

Very likely I'm the only person who goes through the wrestling match in my mind around calf weaning time of market now or retain ownership to a later date, but maybe this applies to others too? Even with historic market trends, planned management systems, economic impacts, etc... there seems to be no "average" year and it's not a bad exercise to wrestle with this topic in every operation from time to time to see what makes sense at that particular point in time.

The October 21, Kansas Weekly Cattle Auction Report indicates 530 lb. steer calves are currently worth just over \$1,600/head, 950 lb. yearling steers are worth around \$2,200/head and with the fed cattle price near \$187/cwt, that means a 1,400 lb. finished steer has a live value of just over \$2,700. These are all strong prices and this, coupled with low inventory, point to another fall of record or near record high prices on calves. As calves reach the forty-five plus day wean period, the question becomes, should they be marketed now to capitalize on prices, or is retained ownership right for your operation?

Retained ownership can mean different things to different people, but for most commercial cow-calf operations, retained ownership simply means holding onto weaned calves and growing them into yearlings and/or fed cattle that will be marketed at a later date. If profit potential looks favorable to hold onto calves and add more weight, it makes economic sense to capture more value and profit potential from your calf crop through retained ownership. This is not a cookie cutter approach and will vary operation to operation, so everyone needs to look at all options, do the math and determine what is best for your situation.

Following are some important items to consider:

- What is your level of risk tolerance and are you willing to utilize risk management tools at your disposal, such as LRP and option contracts?
- Can you afford to move a portion of your income into the next calendar year? Will the change in cash flow effect your financial situation in a way the operation can adjust to?
- Are you comfortable managing stocker calves? Do you have the time and labor requirements to check on and treat calves during the high-risk time post-weaning?
- What is your feed supply/availability and equipment to deliver feed? Is daily feeding of a growing ration an option? Can you graze growing cattle on forage through the fall, winter and early spring without affect to your cowherd needs?
- Does your inventory permit you to put together semi-load lots to make the most economic sense on transportation cost to and from feedlots? Can you work with neighbors or feedlots to make larger lot loads?
- Do you have the facilities and equipment to finish cattle? If not, are you comfortable turning over management responsibility of your calves or yearlings to someone else who does? Do you have the capital to meet financial obligations of feedyards while finishing cattle?
- What do you know about the post-weaning genetic potential of your calves? Do you know what their rate of gain, feed conversion potential and feedlot efficiency might be? Is there genetic potential for acceptable yield and quality grades for grid marketing premiums?

This is by no means a comprehensive list, but gives a sampling of some of the questions and considerations that need to be weighed in that decision of market now or later?