

Livestock Links

A Statewide Newsletter for Alabamians

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It's Called Management

Jonathan Gladney,
Regional Extension Agent

Management, genetics, patience and a tremendous amount of personal drive have been the tools for success at Oak Hill Angus. Richard and Melanie Harvell, along with parents Roscoe and Sandra Harvell, live on and manage their beef cattle operation in western Greene County. The Harvells were originally from Florida and moved to Alabama in the mid 1990s.

Before 1997, the Harvells were Angus breeders selling seedstock. They no longer wanted to spend their budget on advertising a high-profile Angus seedstock operation. Richard and Roscoe learned that an order buyer had made \$80 a head from the feeder calves he had purchased the year before.

The Harvells created a plan with a goal to manage the risk associated with feeder calves and retain as much of the generated profit as possible.

The management plan included a calving season, weaning and stockering calves from 800 to 900 pounds. The calves are fed at feedyards where the cost of gain and feeding cattle for quality grade is managed well.

The next management decision was marketing their cattle. Because of the predictability associated with their management practices and genetics of their cattle, the Harvells were confident their cattle would fit the highest paying carcass grids. Through their commitment to own as much of the risk as possible, shares of both the packing plant and the marketing



company were purchased. The best way to get educated and learn how the process works is to have a vested interest in the process. An individual does not have to own a big part, just a part.

The genetic philosophy that was adopted has paid dividends; however, it has not always been a popular idea among local cattlemen and some beef cattle professionals. The Harvells chose Purebred Angus cattle, partially because they like the predictability in using purebred cattle. Gardiner Angus of Ashland, Ks. provided the consistent genetics they desired with all the data needed to make the decisions to meet their production and carcass goals. The bulls purchased for their program were selected from the top 1 to 2 percent of the Gardiner Angus bulls.

When asked what size cow he was looking for, Roscoe said, "it does not matter; she just needs to be efficient." How does he measure cow efficiency? He said, "We use carcass weight and feed efficiency. We do not use weaning weight."

The carcass weight and feed efficiency in cattle has a direct correlation to income credited to the carcass when quality grade in carcasses is consistent. Every pen of cattle the Harvells have marketed since 2000 has had a quality grade of 90 to 95 percent choice or better. Their challenges have been to improve carcass weight and eliminate yield grade 4s and 5s. Richard and Roscoe mentioned that they selected heavily on ultrasound backfat expected progeny differences (EPDs) and ultrasound ribeye area EPDs to improve yield grades.

Richard and Roscoe have a closeout sheet on the last three pens of cattle they marketed on Feb. 6, 2008. The pens consisted of 140 head of heifers. The dry matter conversion was 5.46 pounds of feed per pound of gain, \$0.69 cost per pound of gain, 3.37 pounds of average daily gain and 182 days on feed. The carcasses' quality grades were 95.66 percent low choice or better with 18.82 percent prime and 22.83 percent certified Angus beef (CAB). The \$0.69 cost of gain was

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accomplished on corn that cost \$5.00 per bushel the day the cattle were processed. There were no yield grade 4s or 5s.

Nineteen percent of the carcasses received a discount of \$15 per hundred weight (cwt) for having carcasses greater than 1,000 pounds. In other words, the Harvells are not selling 650-pound carcasses. However, a prime, yield grade 3 carcass weighing 1,027 pounds on that day netted them \$1,641 after a \$150 discount.

Cattlemen in the local area that know the Harvells often ask why they don't sell the top 10 percent of the bulls and sell some of the heifers for replacements. They don't want to sell bulls and heifers. Dealing with people's schedules, advertising and working with the logistics of sales takes time and energy away from what they do well right on the farm.

When Richard is asked how to get started, he says to feed the calves and get the data to find out where you are with your cattle. "If you do not know where you are, how do you know what management and genetics you need to acquire?"

It has taken the Harvells a lot of patience and drive to continue with their plan and meet their goals of feeding their own cattle and profiting from them. The Harvells are proud to make their living from the genetic merits and management of the Angus herd they have built in western Greene County.

Leasing a Bull

Kevan Tucker, County Extension Coordinator

Anthony Wiggins, Regional Extension Agent

Bull leasing may be a viable option for many producers looking to improve genetics while avoiding the increased capital investment often required when making significant changes in genetic quality. Producers leasing bulls can often use genetics that have a higher dollar value than they may be willing or able to pay for through ownership. Another potential benefit is that, often times, smaller producers have only limited land resources, which can prevent them from removing the bulls to maintain an established calving season. With typical leases, the bulls will only be on site for about 90 days, allowing producers to maintain or create a controlled breeding season.

Bull leasing has advantages for the owner of the bull as well. The lease will provide a source of income that can be used to increase capital for future bull purchases or to help pay for the bull's upkeep and care. Cash leasing rates typically average \$250 to \$700 for a single breeding season; however, rates will vary depending on the current cattle market and the quality of the bull to be leased. Also, leasing out bulls reduces the time a bull is idle on a particular farm. Bulls on farms with controlled breeding seasons are typically only used for 75 to 90 days. They spend the remaining 9 months in a bull pasture often times fighting with each other, tearing down fences, digging holes, and consuming forages and feeds. Having bulls leased out reduces the time, labor and the headache of caring for bulls in the off season.

The major concern in bull leasing, by both owner and leaser, is health. Sexually transmitted diseases can cause reductions in pregnancy rates by as much as 25 percent. When sending out

or taking in a leased bull, producers should maintain a strong vaccination program to reduce these risks. The health program for the bull and the cow herd the bull will be used in should be compatible. Producers should confer with each other regarding their health programs in their respective herds and consult their own veterinarian to assist in identifying any potential shortfalls in the existing health program. Any booster vaccinations should be given according to the vaccine label within the prescribed time period to provide maximum protection from spreading infectious diseases.

Bulls should have a breeding soundness exam performed by a veterinarian before the lease begins. This is important in all situations, but especially important where only one bull will be used. If the bull is not a sound breeder, breeding the cows may not be successful.

Producers should outline and document the responsibilities of all lease participants in sufficient detail. This can prevent questions from arising, such as who will be responsible for costs associated with the bull getting sick or injured, dying or being an unsatisfactory breeder. Peril insurance should be considered when planning a lease as well as predetermining salvage or loss values. Responsibility for costs, whether shared or shouldered, should be decided up front. Making these decisions ahead of time will protect both the owner and the producer leasing the bull. In addition, determine who will provide the transportation both at the beginning and end of the lease period. It is common for one party to provide transportation at the beginning and the other provide it at the end of the lease.

Another obstacle in bull leasing is that farms must be on different calving seasons. An owner that has bulls in with cows from January through March will only be able to lease the bull out beginning in early April. The producer wanting to lease a bull will have to adjust or develop their calving season around availability dates. Also, consider that bulls should be rested and fed for at least 10 to 14 days after being removed from an active breeding pasture and before being turned in with the next herd of cows. Producers looking to lease bulls may want to contact larger commercial farms (250 or more head) for potential agreements as they will have large numbers of bulls from which to choose.

When considering bull leasing as an option, producers should compare the benefits versus the risks the system offers. The benefits may prove that leasing is a viable management decision.

Retained Ownership

Joshua B. Elmore, Natural Resources Program Adviser

Lisa A. Kriese-Anderson, Extension Animal Scientist

Do you want carcass data to strengthen your marketing program? Do you want to potentially capture additional revenue from calves?

Although not without risk, retained ownership provides producers with postweaning and harvest information on cattle that is not readily available to producers marketing calves at weaning. Benefits of retained ownership include postweaning data on calves such as feed efficiency, muscling, quality and yield grade, and overall health performance. This information

is valuable to producers when evaluating overall herd performance, making culling decisions and improving breeding programs.

Retained ownership has disadvantages. Cattle not performing as expected can have serious impacts on revenue. Maintaining cash flow throughout the feeding phase and tax implications of receiving payment the following year must also be considered.

The longer any product is held, the more price risk you incur. Risk assessment is paramount to making the decision to retain ownership. Hedging, futures and options are all useful tools to manage risk. Consult with an agricultural economist or broker to find the program that best fits your situation. Another alternative is the Livestock Risk Protection (LRP) insurance policy. LRP is a single peril insurance policy intended to provide protection against a price decrease. Contact your crop insurance agent for evaluation of your situation.

Success in retained ownership begins at the ranch. Cattle must have an excellent herd health program, be weaned in 30 to 45 days and know how to eat from a bunk and drink from a trough. Consulting with your veterinarian and the feedyard, you should inquire their recommendations of suggested products and vaccination protocols that are successful. Keeping sickness and death losses to an absolute minimum is critical.

Alabama cattle are fed throughout the United States, primarily in the plains and cornbelt states. Retained ownership cattle are mainly fed in custom feedyards. As the cattle grow and finish in the feedyard, the feedyard managers must accurately assess and market the cattle. They must also manage any health issues quickly. By doing their job well and communicating back to producers, positive relationships and trust are built. Most custom feedyards are willing to partner with you on a pen of cattle. This allows for some cash flow, and, because they now own a portion of the cattle, increases confidence the feedyard will manage the cattle effectively. If you enter into a partnership arrangement with the feedyard, you will both share in the profits or losses of the cattle based on the percentage of ownership.

Feedyards will either market pens of cattle in its entirety (all in, all out), taking one or more cuts in the pen or individually. Another option is choosing a feedyard that can sort cattle into different harvest groups. Research has shown that cattle with a 50-pound weight spread going into the feedyard will have a 200-pound spread or more at harvest. If the weight variation is greater going into the feedyard, obviously the spread will be larger at harvest. Only a few feedyards in the United States market cattle based on their individual weight, backfat thickness and cost of gain.

Feedyards can market cattle based on live weight, hot carcass weight (in the beef) or a carcass grid. Some feedyards offer all three options. Others do not. If you know little about the cattle background and history, marketing on a live weight basis or in the beef may be the best option. Marketing on a carcass data grid allows you to capture value for higher quality and high yielding (USDA 1 and 2) cattle, but it also allows you to potentially lose value for lower quality grades and low yielding (USDA 4 and 5) cattle.

Numerous costs are associated with retained ownership. Cattle will be charged yardage, peril insurance, processing, feed costs and medicine. If the feedyard you choose markets to a specific alliance or program, there may be additional alliance or marketing fees.

Retained ownership is not without premiums. By retaining ownership, producers can receive value for keeping records regarding age and source of the cattle. These premiums can add value or help reduce costs, such as transportation.

If you are just starting out, no matter why retained ownership is important to you, start small. The Alabama Pasture to Rail program allows producers to send three or more calves to the feedyard. This gives a snapshot of health, growth, carcass characteristics of the herd along with costs. Many breed associations also have retained ownership programs. These programs can allow you to see if retaining ownership is the right decision for your ranch. If you are interested in retaining ownership and collecting postweaning data on your cattle, contact your regional Extension agent.

Livestock Carcass Disposal

Soren Rodning, Extension Veterinarian

An unfortunate consequence of owning and raising livestock is the inevitable death of some animals, despite even the best animal husbandry and veterinary care. Livestock owners and custodians must therefore understand responsible carcass disposal to protect their herds from various infectious diseases, be a good steward of the environment and promote a positive image for the livestock industry. Proper carcass disposal first and foremost ensures the safety of your herd by removing the source of a variety of infectious diseases, as well as protecting wildlife from the same diseases. Proper carcass disposal also helps avoid environmental problems and the undesirable publicity the livestock industry receives when carcasses are found in inappropriate places, such as creeks, ponds and on the sides of roads.

Alabama law requires carcass disposal within 24 hours. Approved methods of carcass disposal include burial and burning, as well as disposing of the carcass in an approved landfill (Contact your local landfill for more information.). Burial is not an option for those locations in Alabama with a high water table. If an incinerator is used to burn mortalities, use one approved by the Alabama Department of Environmental Management Air Division (<http://www.adem.state.al.us>).

Four Alabama Department of Agriculture Veterinary Diagnostic laboratories are also available to perform an examination into the cause of death (necropsy), and dispose of the carcass. Contact information for the four Alabama Veterinary Diagnostic laboratories is listed below. The Alabama Veterinary Diagnostic Laboratories should only be used when the cause of death needs to be determined.

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Alabama Department of Agriculture Veterinary Diagnostic Laboratories:

Auburn (334) 844-4987
 Boaz (256) 593-2995
 Elba (334) 897-6340
 Hanceville (256) 352-8036

The following is an excerpt of the Alabama law that dictates the rules and regulations governing carcass disposal:

“All owners or custodians of animals which die or are killed in their possession or custody, other than such as are slaughtered for food, within 24 hours shall cause the bodies of such animals to be burned or buried at least two feet below the surface of the ground. Hogs dying from cholera or any other disease whatsoever shall be burned. No such animal shall be burned or buried sufficiently near a residence or residences as to create a nuisance. Any person violating this section, whether by failure to burn or bury an animal dying or being killed in his possession or by causing the same to be burned in such proximity to a dwelling or in such other way as to become a nuisance shall be guilty of a misdemeanor...”

Failure to properly dispose of a carcass is against the law, not responsible and potentially detrimental to herd health and the environment. Care must be taken not to contaminate the water table, creeks, ponds, rivers and watersheds when disposing of a carcass. The Natural Resources Conservation Service (NRCS) is available to help identify appropriate livestock burial sites that meet Alabama Department of Environmental Management (ADEM) regulations. Contact ADEM, the local NRCS district office or the Alabama Cooperative Extension System when assistance is needed.

Calendar of Events

January	16 to 17	Alabama 4-H and FFA Market Hog Show, Montgomery
	24 to 25	Alabama Horse Fair, Montgomery
February	13 to 14	Alabama BCIA Annual Meeting and Award Program, 4:00 p.m., Birmingham, in conjunction with ACA convention
	27	BCIA Bull & Heifer Sale, Montgomery
	27	Youth “EPD” Bull Sale, Montgomery
	24 to 25	Tri-States Beef Cattle Expo, Dothan
	27 to 28	North Alabama Junior Beef Expo, Cullman
March	27 to 28	Tennessee Valley Junior Beef Expo, Huntsville
	4 to 5	West Central Alabama Junior Beef Expo, Montgomery
	5 to 8	Alabama Junior Livestock Expo, Montgomery
	14	4-H and FFA Dairy Judging Contests, Shorter
	14	4-H Dairy Quiz/Scholars Bowl, Shorter

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