

Notes on Extra Materials for Master Beef Producer Marketing Session

1. Focus on Feedlots from Kansas State - we use this when discussing what feedlots can pay for TN feeder cattle and the “rules of thumb” on changes in feeder cattle price. We normally point out the average cost of gain for those cattle marketed in the month of the report and the projected cost of gain for cattle placed on feed that month. One thing to note, the feedlots represented on this report happen to feed more heifers than steers and are very good at managing heifers on feed. This impact can occasionally be seen in the death loss for heifers being lower than for steers. The lower gain on heifers and higher feed requirements are reflected in the higher cost of gain which is one reason heifers sell cheaper than steers. You can find the latest Focus on Feedlots report at www.tnbeefcattleinitiative.org/curmkt.htm or <http://economics.ag.utk.edu/fof.html>
2. Next is the weekly summary report for TN auctions. The weekly summary report has been modified from what you will find on the web. We have deleted out the slaughter cows and bulls normally listed and have added price slides on the M&L 1&2 steers and bulls and comparisons between different grades and sex of cattle. You can do this for a more recent report. You can find a link to the weekly summary report at www.tnbeefcattleinitiative.org/curmkt.htm Save the file (it is a text file) and then open it in Word or WordPerfect. Once you have it in Word or WordPerfect, you can select what you want to delete from the summary and add in the price slides and comparisons as we have done on the example. We use this when discussing feeder cattle grades. We have a price slide to help more accurately price cattle without the exact weight being known, i.e. a video sale or direct sale from the farm. It can change over time depending on the cost of feedlot gain relative to the selling price for the cattle.
3. The grid sheet is from TN cattle in the Tennessee Beef Evaluation program finished in Iowa through the Tri-County Steer Carcass Futurity. We use the grid sheet to demonstrate the importance of not producing those extremes in frame and muscle grades - large frame cattle take longer to finish and have heavier carcasses which are discounted while small frame cattle finish quickly and have small carcasses which are discounted. Also, we note the Choice/Select spread at that time. We recommend that producers strive to produce cattle that are medium frame and will grade Choice in the carcass. If an animal grades Prime, it is a bonus but this is not what most producers should be striving to do because of the cost and risk. Also, on this particular sheet there is a discount for a heiferette, i.e., a heifer over 30 months of age or what is sometimes called a hard-bone. The light muscled cattle would be dairy crosses. We sometimes include in the margin the price spread between the different quality grades and different yield grades. Also, we point out the CAB premium and the Age Verification premium for cattle that would be expected to be harvested at less than 21 months of age. On this grid we have calculated the live weight equivalent for the carcass weights listed by dividing the carcass weight by 0.63 (63% dressing percentage). We talk about the grid sheet with the slide titled “Strive to Produce” to illustrate the second point - avoid extremes.
4. The final sheet is a page from a video sale catalog. We use this when discussing video board sales advantages and disadvantages. This is just to give those who have not seen a catalog

sheet an understanding in what is included and how important a good description of the cattle is to the buyer. You can also draw a comparison between the two groups described and discuss the reasoning for the difference in prices - one set is lighter weight causing some increase in price - with a 4 cent sliding scale, about \$3 per hundred of the price difference is due to weight alone. They are also age and source verified which adds value, also slightly more uniform in grade and they are weaned and preconditioned which also adds value.

If you have any questions about these materials or need help updating the materials, please contact Dr. Emmitt Rawls or Tammy McKinley at (865) 974-7271 or by email at elrawls@utk.edu or mckinley@utk.edu.

Performance and Feed Cost Summary*

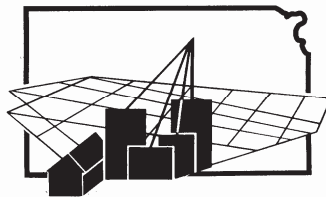
on Beef Systems Specialist, Kansas State University

Information

| | Avg. Days on Feed | Avg. Daily Gain | Feed/Gain (Dry Basis) | % Death Loss | Avg. Cost of Gain/Cwt. | Projected Cost of Gain Current Month's Placed Cattle |
|---|----------------------|-----------------------|--------------------------|-----------------|-------------------------------|---------------------------------------------------------|
| 8 | 160 (130 - 223) | 3.62 (2.99 - 3.94) | 6.01 (5.35 - 6.74) | 1.37 | \$89.85 \$81.74 - \$101.71 | \$93.33 \$90.00 - \$98.00 |
| 3 | 163 (127 - 243) | 3.16 (2.83 - 3.46) | 6.29 (5.59 - 7.05) | 1.34 | \$95.08 \$84.11 - \$100.61 | \$99.00 \$98.00 - \$100.00 |

| mid-August 2008 Avg Prices | Range | No. Yards |
|----------------------------|---------------------|-----------|
| \$6.39 /bu | \$5.70-\$7.02 | 8 |
| \$140.91 /ton | \$135.00 - \$150.97 | 7 |

Focus on Feedlots



K-State, County Extension Councils, Extension Districts, and U.S. Department of Agriculture Cooperating. All educational programs and materials available without discrimination on the basis of race, color, religion, national origin, sex, age or disability.

** Closeout figures are the means of individual feedyard monthly averages and include feed, yardage, processing, medication, death loss and usually sold FOB the feedlot with a 4% pencil shrink. Interest charges normally are not included.

NV_LS145

Nashville, TN Friday, September 12, 2008
Tennessee Cattle Auction

USDA-TN Dept Ag Market News

Tennessee Feeder Cattle Weekly Summary

Receipts on 11 TN Auctions: 10,020 8 Last Week: 6,154 17 Last Year: 19,102

Trends: According to the Federal-State Market News Service, compared to last week:
Slaughter cows mostly steady to 1.00 higher. Slaughter bulls unevenly steady. Steers/bulls
under 350 lbs mostly 2.00 higher, over 350 lbs 1.00 to 2.00 lower. Heifers steady to 2.00
higher.

Slaughter Cows 1158 head; Bulls 162 head; Total Feeders 8036 head; Feeder supply, Steers
and bulls 4212 head; Heifers 3724; Steers and heifers over 600 lbs 1624; Replacement
and/or feeder cows 539 head.

Receipts: 10,020

| Feeder Steers Medium and Large 1-2 | | | | | |
|------------------------------------|----------|--------|---------------|-----------|-------------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price | Price Slide |
| 7 | 200-245 | 225 | 115.00-157.50 | 135.30 | |
| 23 | 250-295 | 279 | 113.00-147.50 | 128.76 | |
| 47 | 300-345 | 324 | 106.00-141.00 | 122.79 | |
| 107 | 350-398 | 374 | 102.00-127.50 | 115.66 | \$12.67 |
| 90 | 400-445 | 424 | 93.00-120.00 | 110.12 | |
| 104 | 450-498 | 470 | 94.00-114.00 | 105.36 | 7.74 |
| 117 | 500-548 | 522 | 94.00-113.00 | 102.38 | |
| 131 | 550-598 | 572 | 90.00-109.00 | 100.82 | 2.85 |
| 105 | 600-648 | 625 | 87.00-107.00 | 99.53 | |
| 75 | 650-695 | 668 | 89.00-106.00 | 98.65 | 2.63 |
| 69 | 700-745 | 721 | 86.00-105.00 | 96.90 | |
| 16 | 750-790 | 767 | 81.00-100.00 | 93.41 | |
| 13 | 855-889 | 873 | 74.00-90.50 | 87.85 | |

| Feeder Steers Small 1-2 | | | | |
|-------------------------|----------|--------|--------------|-----------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 6 | 370-395 | 383 | 92.00-110.00 | 100.68 |
| 9 | 400-445 | 423 | 81.00-110.00 | 96.92 |
| 6 | 515-540 | 529 | 83.00-90.00 | 86.21 |
| 5 | 555-595 | 582 | 74.00-99.00 | 88.02 |
| 7 | 600-645 | 618 | 75.50-90.00 | 83.80 |

| Feeder Steers Medium and Large 3 | | | | |
|----------------------------------|----------|--------|---------------|-----------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 9 | 250-295 | 279 | 105.00-132.50 | 118.38 |
| 11 | 310-345 | 329 | 95.00-122.00 | 106.37 |
| 32 | 350-395 | 371 | 92.00-114.00 | 102.14 |
| 39 | 400-445 | 426 | 89.00-106.00 | 97.45 |
| 27 | 450-495 | 472 | 89.00-103.00 | 94.81 |
| 57 | 500-545 | 522 | 80.00-101.00 | 91.22 |
| 33 | 550-595 | 574 | 81.00-100.00 | 90.52 |
| 14 | 600-640 | 621 | 80.00-99.00 | 90.36 |
| 10 | 650-690 | 667 | 87.00-94.00 | 91.02 |

M&L 1&2 vs Small 1&2
about 425#

| | |
|-----------|----------------|
| M&L 1&2 | \$110.12 |
| Small 1&2 | <u>96.92</u> |
| | \$ 13.20/cwt |
| | or \$ 56.10/hd |

M&L 1&2 vs M&L 3
about 525#

| | |
|---------|----------------|
| M&L 1&2 | \$102.38 |
| M&L 3 | <u>91.22</u> |
| | \$ 11.16/cwt |
| | or \$ 58.59/hd |

| Feeder Holstein Steers Large 3 | | | | |
|--------------------------------|----------|--------|-------------|------------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 62 | 800 | 800 | 74.00 | 74.00 Load |

| Feeder Bulls Medium and Large 1-2 | | | | |
|-----------------------------------|----------|--------|--------------|-----------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 32 | 355-395 | 369 | 95.00-120.00 | 105.86 |
| 130 | 400-449 | 426 | 93.00-114.00 | 104.21 |
| 138 | 450-495 | 472 | 90.00-113.00 | 100.57 |
| 130 | 500-546 | 519 | 86.00-106.00 | 97.14 |
| 126 | 550-597 | 569 | 87.00-103.00 | 94.04 |
| 129 | 600-645 | 620 | 82.50-98.00 | 90.23 |
| 67 | 650-695 | 674 | 81.00-98.00 | 89.53 |
| 38 | 700-745 | 721 | 73.00-97.00 | 85.76 |
| 8 | 750-795 | 775 | 76.50-87.00 | 84.65 |
| 6 | 800-830 | 810 | 83.00-88.00 | 85.09 |

| Steers vs Bulls | |
|-----------------|---------------|
| M&L 1&2 | |
| about 625# | |
| Steer | \$99.53 |
| Bull | <u>90.23</u> |
| | \$ 9.30/cwt |
| | or \$58.13/hd |

| Feeder Bulls Small 1-2 | | | | |
|------------------------|----------|--------|--------------|-----------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 14 | 405-440 | 423 | 80.00-105.00 | 94.02 |
| 18 | 450-490 | 475 | 73.00-101.00 | 89.21 |
| 22 | 500-545 | 522 | 70.00-100.00 | 88.97 |
| 17 | 550-595 | 563 | 68.00-93.00 | 86.21 |
| 8 | 600-645 | 629 | 76.00-90.00 | 85.86 |
| 7 | 655-695 | 673 | 77.00-88.50 | 83.09 |

| Feeder Bulls Medium and Large 3 | | | | |
|---------------------------------|----------|--------|--------------|-----------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 39 | 400-445 | 424 | 85.00-105.50 | 97.15 |
| 89 | 450-498 | 473 | 82.50-103.00 | 91.61 |
| 72 | 500-545 | 520 | 75.00-100.00 | 88.62 |
| 59 | 550-598 | 576 | 75.00-94.00 | 86.96 |
| 49 | 600-645 | 627 | 78.00-92.00 | 85.55 |
| 29 | 650-695 | 678 | 72.00-90.00 | 83.58 |
| 21 | 700-745 | 723 | 71.00-89.00 | 82.36 |
| 8 | 750-795 | 770 | 71.00-85.00 | 80.50 |

| Feeder Heifers Medium and Large 1-2 | | | | |
|-------------------------------------|----------|--------|--------------|-------------|
| Head | Wt Range | Avg Wt | Price Range | Avg Price |
| 27 | 255-295 | 280 | 92.00-115.00 | 102.94 |
| 44 | 300-348 | 329 | 92.00-113.50 | 101.38 |
| 118 | 350-395 | 375 | 88.00-108.00 | 98.81 |
| 160 | 400-448 | 423 | 90.00-106.00 | 96.75 |
| 235 | 450-498 | 471 | 86.00-107.00 | 95.38 |
| 259 | 500-548 | 523 | 84.00-102.00 | 93.05 |
| 240 | 550-595 | 572 | 83.50-103.00 | 92.36 |
| 89 | 560 | 560 | 101.25 | 101.25 Load |
| 169 | 600-646 | 622 | 79.00-100.00 | 89.53 |
| 125 | 650-695 | 668 | 80.00-96.00 | 89.30 |
| 41 | 700-745 | 721 | 78.00-94.00 | 87.74 |
| 30 | 750-795 | 775 | 75.00-91.00 | 85.93 |
| 15 | 800-848 | 821 | 74.00-91.00 | 83.13 |

| Feeder Heifers Small 1-2 | | | | | |
|--------------------------|----------|--------|-------------|-----|-------|
| Head | Wt Range | Avg Wt | Price Range | Avg | Price |
| 12 | 365-395 | 384 | 79.00-97.00 | | 87.38 |
| 33 | 400-445 | 426 | 77.50-94.00 | | 84.52 |
| 44 | 450-495 | 471 | 72.00-93.00 | | 83.49 |
| 30 | 500-545 | 521 | 70.00-90.00 | | 81.89 |
| 14 | 555-595 | 571 | 65.00-90.00 | | 80.01 |
| 9 | 600-625 | 614 | 72.00-88.00 | | 80.31 |

| Feeder Heifers Medium and Large 3 | | | | | |
|-----------------------------------|----------|--------|--------------|-----|-------|
| Head | Wt Range | Avg Wt | Price Range | Avg | Price |
| 10 | 260-290 | 278 | 87.00-102.50 | | 94.64 |
| 17 | 300-340 | 318 | 85.00-101.00 | | 93.06 |
| 43 | 350-395 | 375 | 80.00-101.00 | | 91.08 |
| 97 | 400-445 | 425 | 80.00-96.00 | | 89.53 |
| 97 | 450-495 | 473 | 80.00-93.00 | | 86.73 |
| 100 | 500-548 | 522 | 77.00-94.00 | | 85.39 |
| 68 | 550-595 | 570 | 75.00-94.00 | | 84.37 |
| 34 | 600-640 | 624 | 76.00-91.00 | | 82.41 |
| 11 | 655-692 | 668 | 75.00-88.50 | | 83.49 |
| 6 | 765-785 | 773 | 73.00-86.00 | | 80.59 |

Source: Tennessee Dept of Ag-USDA Market News, Nashville, TN
 Lewis Langell, OIC (615) 837-5164
www.ams.usda.gov/mnreports/nv_ls145.txt

Grid Prices for TCSCF Steers and Heifers Harvested at Tyson - Denison

| | | | Group 1 | Group 2 | |
|-----------------|------------------------|--------------|----------------------|----------------------|---------------------------------------|
| | | Harvest Date | 10-Jul-08 | 13-Aug-08 | |
| | Quality Grade | Yield Grade | Carcass Price\$/cwt. | Carcass Price\$/cwt. | Weighted Average Carcass Price\$/cwt. |
| | Prime | 1 | \$176.92 | \$176.76 | \$176.97 |
| | Prime | 2 | \$172.92 | \$172.76 | \$172.97 |
| | Prime | 3 | \$170.92 | \$170.76 | \$170.97 |
| | Prime | 4 | \$157.42 | \$157.26 | \$157.47 |
| | | | | | |
| | Choice | 1 | \$163.39 | \$162.69 | \$163.17 |
| | Choice | 2 | \$161.39 | \$160.69 | \$161.17 |
| | Choice | 3 | \$159.39 | \$158.69 | \$159.17 |
| | Choice | 4 | \$145.89 | \$145.19 | \$145.67 |
| | Choice | 5 | \$140.06 | \$139.36 | \$139.84 |
| | | | | | |
| | Select | 1 | \$158.46 | \$157.29 | \$158.01 |
| | Select | 2 | \$156.46 | \$155.29 | \$156.01 |
| | Select | 3 | \$154.46 | \$153.29 | \$154.01 |
| | Select | 4 | \$140.96 | \$139.79 | \$140.51 |
| | | | | | |
| | Std | 1 | \$149.44 | \$149.38 | \$149.54 |
| | Std | 2 | \$147.44 | \$147.38 | \$147.54 |
| | Std | 3 | \$145.44 | \$145.38 | \$145.54 |
| | Std | 4 | \$131.94 | \$131.88 | \$132.04 |
| | | | | | |
| | CAB | | \$3.00 | \$3.61 | \$3.31 |
| | | | | | |
| | Light Muscled | | -\$9.00 | -\$9.00 | -\$9.00 |
| | Heiferette | | -\$18.95 | -\$18.31 | -\$18.63 |
| | Age Verification \$/hd | | \$20.00 | \$20.00 | \$20.00 |
| Live Weight | | | | | |
| 1508 to 1587 lb | 950 to 1000 lb | | \$0.00 | \$0.00 | \$0.00 |
| 1589 to 1665 lb | 1001 to 1049 lb | | -\$17.09 | -\$17.29 | -\$17.19 |
| over 1667 lb | Over 1050 lb. | | -\$35.00 | -\$35.00 | -\$35.00 |
| under 873 lb | Under 550 lb. | | -\$17.18 | -\$14.91 | -\$16.05 |

LOT NO. 08001



OWNER:

BQA CERTIFIED

AgInfoLink is a USDA Process
Verified Company



NO. HEAD: 63 STEERS
EST. AV. WEIGHT: 725
EST. WEIGHT RANGE: 650-775

USDA GRADES:

95% L-1 & M-1 5% L-2 & M-2

FLESH: 5

DESCRIPTION:

57 Black & BB, 6 Char X

10% show 1/8 ear or less. Weaned. **Home Raised.** By Angus bulls. **EID TAGGED.**

MANAGEMENT:

Cattle are on pasture and hay plus 7# per day of 13% Ogle Beef Grower with free choice mineral.

2 shots each in neck – 7 Way Blackleg, Express 5 HS, Caliber 7, Pulmoguard PHM
Wormed with Eprinex. Implanted with Ralgro.
Castrated with knife at birth.

CONDITIONS:

Cattle will be penned by 7:30 AM morning of weigh up. **Buyers truck get tare wt** by 7:00 AM and **travel 18 miles to farm** by 7:45 AM, load and haul to Loves, I-24, Exit 89 and weigh on truck with a **2% shrink**.

TLP REPRESENTATIVE: Frank Poling

SLIDE: 5 Cents over 735#

BUYER: _____

PRICE/CWT: 97.75

PHE

LOT NO. 08002



OWNER:

BQA CERTIFIED

NO. HEAD: 68 STEERS

EST. AV. WEIGHT: 800

EST. WEIGHT RANGE: 750-850

USDA GRADES:

90% L-1 & M-1 10% L-2 & M-2

FLESH: 6

DESCRIPTION:

100% Black & BB

10% show ear.

MANAGEMENT:

Cattle are on pasture and hay plus 10-12# of 13% Performance feed.

2 shots each – Alpha 7, Express 5 HS, Plumoguard PHM-1
Wormed and Deloused with Eprinex 9/15/07.
Implanted with Synovex S 9/25/07. Castrated with knife. Dehorned.

CONDITIONS:

Cattle will be penned by 7:00 AM morning of weigh up in a dry lot. **Buyers truck get tare wt by 7:00 AM**, and **travel 5 miles to farm** by 7:30 AM, load and haul to Rogers Group, Lawrenceburg, TN and weigh on truck with a **2% shrink**.

TAKE 48,000-50,000# LOAD OFF HEAVY END.

TLP REPRESENTATIVE: Frank Poling

SLIDE: 4 Cents over 810#

BUYER: _____

PRICE/CWT: 89.50 *ELS*

January 2008 Sale