Calf Revenue – Time to Start Thinking About Marketing Calves in the Fall

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Maximizing calf revenue is important for cattle producers; it's how they get paid! Just like any business, understanding what drives how you are paid is important. Calf revenue from an academic perspective is driven by three factors; 1) the number of calves sold, 2) sale weight of calves and 3) price received.

Cow/calf producers to some extent have control over the number of calves sold and sale weight. The number of calves sold is essentially a function of stocking rate, cow fertility and/or reproduction on an operation. The sale weight of calves is more complex but is a multi-factorial combination of genetics, calving distribution, calf age, nutrition, management and technology use (implants). Price received is likely the most influential of the three factors that drive calf revenue and is the factor that cow/calf producers often believe they have the least ability to control. Once a set of calves enters the sale ring, or appears on the video screen, their value is determined by what two prospective buyers are willing to pay. Although it is impossible for producers to directly influence what buyers are willing to pay, they are not completely helpless. Cow/calf producers directly control what they sell (weaned calves, value-added calves or feeders), and determine when they will sell. These are difficult, complex decisions. It's important to keep informed about current market conditions and when that information is used with resources like Beef Basis (www.beefbasis.com) that use data to evaluate different market scenarios, from selling five weight calves the first week of October, to seven weights December helps producers make the best decision for their operations.

For more information, please contact the local K-State Research and Extension Office.

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