

Western Wisconsin Special Feeder Calf Marketing Project

Final ADD Grant Report

August 31, 2009

Relevant Background:

The Western Wisconsin Beef Producers (WWBP) began a "Purple Tag" feeder calf program in 2002 with the help of UW-Extension. The Purple Tag program goal was to award a premium to feeder calf producers who backgrounded/preconditioned their calves. The preconditioned, purple tagged calves were consigned to auction markets, mostly Equity Sparta, and were announced as such during regular feeder calf sales.

The Purple Tag program offers the advantage of flexibility to the consignor. Preconditioned calves could be sold at any feeder calf sale. Feeder calf producers are able to decide what time of the year to market their calves depending on their management system. This allows producers to calve during whichever month they choose and market their calves anytime during the feeder calf sale season.

While the flexibility is an advantage, it also poses the challenge of offering enough preconditioned calves at any one sale to attract a significant number of buyers looking for value-added cattle. The system's main challenges revolve around: 1) buyers don't always know that Purple Tag Feeder Cattle will be at a regular feeder calf sale 2) there often isn't enough Purple Tag Feeder Cattle at any given sale for buyers with large-lot needs to co-mingle the calves 3) In order to fill their orders or needs, buyers often need to mix preconditioned Purple Tag Calves with nonweaned or nonvaccinated calves.

On August 21, 2008, WWBP hosted a seminar dedicated to preconditioning feeder cattle in Bangor. The seminar was organized by UW-Extension and featured Dr. Roy Burris, University of Kentucky Extension Beef Specialist. Dr. Burris detailed Kentucky's CPH 45 Program. The CPH 45 program is one of the nation's most recognized preconditioned feeder calf programs.

Early Work Leading up to the ADD Grant Project:

The WWBP was approached during the fall of 2007 to be part of a working group with a goal of developing protocols for a Wisconsin preconditioned feeder calf program. It was thought that WWBP's work with the Purple Tag Program could provide insight in setting protocols and moving the effort forward.

The working group evolved into a steering committee including beef cow/calf producers, feedlot operators and allied industry representatives. Steering committee advisors were:

- Dr. Jeff Lehmkuhler, UW-Extension Beef Specialist
- Bill Halfman, Monroe County Agriculture Extension Agent
- Steve Huntzicker, La Crosse County Agriculture Extension Agent
- Jeff Swenson, Wisconsin Department of Agriculture, Trade and Consumer Protection Livestock Specialist.

The steering committee used the WWBP Purple Tag Program and Kentucky's CPH 45 Program as starting points to begin discussion. The group met throughout the winter months of 2008/2009 and developed the final protocols.

The protocols/requirements are:

1. *Owned by seller a minimum of 60 days*
2. *Weaned a minimum of 45 days*
3. *Minimum weight of 350 lbs*
4. *Consignor must have a valid Wisconsin Beef Quality Assurance certification number*
5. *Vaccinations*
 - a. *Administered per BQA guidelines*
 - b. *Utilize subcutaneous products when possible*
 - c. *Administered according to product labels*
 - d. *Vaccinated and boosted* against*
 - i. *Infectious Bovine Rhinotracheitis (IBR)*
 - ii. *Bovine Viral Diarrhea (BVD)*
 - iii. *Parainfluenza III (PI 3)*
 - iv. *Bovine Respiratory Syncytial Virus (BRSV)*
 - v. *7-way clostridial*

** Products labeled as single dose immunization may require only one injection of product to provide adequate immunization. It is recommended that a modified live product be utilized when appropriate for respiratory viruses. Additional vaccinations are allowable and optional (i.e. Haemophilus somnus, Mycoplasma bovis, Mannheimia haemolytica, Pasteurella multocida, Moraxella bovis).*
6. *Dehorned and healed.*
7. *Males must be castrated and healed. Any method of castration for animal under 4 months of age is acceptable but knife castration is strongly recommended. Animals over 4 months of age must be surgically castrated.*
8. *All the above procedures completed at least 45 days before sale*
9. *Dewormed with a product that kills inhibited Ostertagia within 90 days of sale date*
10. *Treated for lice and grubs*
11. *All processing (vaccinations, deworming, other injections) must be recorded on body map and chart on processing sheet.*
12. *Growth promoting implants products must be recorded with product name and date of administration.*
13. *Must be trained to eat from a bunk and drink water from a trough.*
14. *Animals must be identified with a Wisconsin Premier Precondition Calf ear tag.*
15. *Heifers are guaranteed open, and steers guaranteed not to be intact bulls or stags.*

16. Seller agrees to pay \$100/head to sale committee if any heifers are found to be pregnant and verified by a veterinarian within 5 months of sale date and proper documentation submitted to sale committee.
17. Seller agrees to pay \$100/head to sale committee if any bulls or stags are verified by a veterinarian within 5 months of sale date along with submission of proper documentation to sale committee.

B. Eligible cattle

1. Meet above program requirements
2. Cattle must be clean and free of excessive mud/manure
3. Free of sickness, blindness in any eye, unhealed wounds, or other traits that would detract from the value of the pen/group of feeder calves
4. Any decisions with respect to out cattle are non-disputable and consignors must have read, understand and by delivering cattle have agreed to the requirements and accept the judgment of out cattle
5. Any cattle not meeting eligibility requirements will be considered "outs" and will have ear tags removed and sell after the program cattle or taken home

C. Local Sale Committee

1. Each sale location will establish a sale committee. This committee must have an account to handle the finances associated with collection of revenue from ear tag sales as well as pay expenses associated with sales and guarantees. The primary role of the committee is to ensure the integrity of the program and support the decisions made by those involved in the sale aimed at upholding the quality and reputation of the program calves.
2. Committee shall be comprised of local producers, local beef association members, sale facility management, local Extension agents, DATCP economic development consultant and state Extension beef cattle specialist. Though not required, it is strongly recommended that the veterinarian utilized at the local sale facility also be appointed to the sale committee.
3. Duties of the sale committee
 - a. Coordinate on-farm inspections and certify calves are weaned, bunk and water trough broke prior to sale.
 - b. Ordering and distributing ear tags.
 - c. Establish "consignment fee" associated with the sales of the program ear tags and manage proceeds from sales of ear tags.
 - d. Reporting tag distribution to Extension agent and/or Extension Beef Specialist and/or DATCP economic consultant.
 - e. Establish guidelines for determining the sale order.
 - f. Decide weighing conditions (weight breaks, pencil shrinks)
 - g. Determine if any additional health practices will be required (i.e. additional vaccines, only knife castration)
 - h. Determine whether to participate in non-WI PPC program (i.e. Recognized industry precondition programs such as Merial Sure

Health, Pfizer Select Vac, Schering Plough Tri-Merit, Age and Source Verification Programs, etc...).

- i. Decide how "out" cattle will be sold*
- j. Decide who will grade the cattle on sale day. The committee must fully support the decision by this individual.*
- k. Members MUST be present at the sale.*
- l. Assist in receiving the cattle if needed.*
- m. Appoint a representative to collect any last minute information and forms.*
- n. Assist in settling disputes or irregularities.*
- o. Ensure "out" cattle have ear tags removed prior to sale.*
- p. Monitor and record the sales information for each lot sold.*
- q. Work with sale facility management to provide contact information to buyers of each load of WI PPC calves before leaving.*
- r. Maintain records for calves. A copy of the forms and sales report is to be mailed to DATCP livestock economic consultant and Extension beef cattle specialist. The sales committee will assist with any follow-up on guarantee issues. Review the sale and suggest recommendations for improving the sales.*

D. Sale Procedure

- 1. Paperwork provided to sale committee 7 days prior to sale date. It is critical that sellers notify sale committee in advance to create a show list to circulate to buyers.*
- 2. Upon arrival, calves will be inspected and any out cattle are to be removed from the lot, ear tags removed, and sold at the end of the sale or taken home.*
- 3. Recommended minimum number of head for sales is 400 head of qualified feeders.*

E. Forms & Additional Program Information

- 1. Forms*
 - a. Program Certification & Processing Map Forms*
- 2. General Program Information*
 - a. Contacts*

When compared to the Purple Tag Program, this new protocol was similar with some notable differences.

First, the protocols set a minimum weight requirement. It is thought that if calves are weaned and fed a growing ration for 45 days a required minimum weight was realistic. Secondly, calves are required to be weaned a minimum of 45 days as compared to the Purple Tag Program's requirement of 30 days.

One other change from the Purple Tag Program is that all consignors must be Beef Quality Assurance (BQA) Certified. The goal was to open as many markets for the

feeder calves as possible and some branded beef programs require each owner throughout the life of the cattle to be BQA Certified.

The main difference between the Purple Tag Program and this new set of requirements, however, is that cattle would be preconditioned according to a set timeline with one sale held on a predetermined date. Only program-qualified cattle would be sold at this sale.

The steering committee considered several names for this set of protocols. The committee finally chose BADGER VAC 45 for the program. BADGER VAC 45 is an acronym standing for Building Added Demand, Generating Enhanced Revenue Value Added Calf. The 45 signifies the minimum 45 day weaning requirement.

In March of 2008, the Western Wisconsin Beef Producers began planning a BADGER VAC 45 sale by forming a sale committee made up WWBP members. Advisors for the project were Bill Halfman, Steve Huntzicker and Jeff Swenson.

The Sale committee was made up of Hope Laufenberg, Dwight Carlisle, Simon Wells, Brady Laufenberg, Dan Laufenberg and Dan Jacobson.

It was decided to host a sale at the Equity Auction Market in Sparta on November 28, 2008. The sale committee met five times in preparation for the sale.

The Sale

The initial goal was to have a sale of at least 250 cattle. We ended up with 313 head for the sale from 17 different consignors. There were a total of 35 registered buyers with 14 of those buyers purchasing cattle.

Breeds represented at the sale were:

Angus
Hereford
Charolais
Maine-Anjou
Red Angus Cross (3/4 Red Angus)
Holstein

Prices

Prices at the sale when compared to regular feeder cattle sales held at Equity Sparta the Thursday before and the Thursday after were \$5 to \$7 higher cwt. Holstein feeder cattle sold very well compared to other sales around the state during the same week.

The top-selling lot brought \$108.00 cwt (15 head of black steers weighing 602 lbs per head.)

Observations and Conclusions

Quality and Uniformity

It was evident during the sale that quality and uniformity is still a concern of buyers even when calves have been preconditioned. If cattle are viewed as less desirable by a buyers at a regular feeder sale because they are viewed as being too fleshy, having a low body condition score, too small framed, or a lot is inconsistent in size or weight then the same group of cattle will be viewed as less desirable even when preconditioned.

Lot Size

Buyers tend to pay more for larger lots – those groups with more head of cattle. A study by UW-Extension conducted at the Equity Sparta Auction Market in which several feeder calf auctions were monitored showed this. One goal of our sale was to eliminate the smaller lots bringing less money, however, we did not entirely overcome the lot size issue, however.

The sale was successful with smaller groups of cattle that buyers could co-mingle with other lots. In short, if a buyer was looking for cattle roughly 550 pounds, they would confidently buy lots regardless of the number of head offered in the lot because they knew both that the cattle had all been treated under the same protocols and two, they could continue buying 550 pound cattle throughout the sale to fill their needs.

Our challenges with lot size were with lighter cattle. Because there weren't as many cattle in that weight range, buyers were unable to co-mingle cattle to put into a larger group.

Outs

According to BADGER VAC 45 guidelines, cattle that appear unhealthy, are not dehorned and healed, or having any other condition that would detract from their marketability are pulled from the sale and have their BADGER VAC tags removed. Consignors would have the choice of taking the cattle home or selling them at the end of the sale as non-BADGER VAC 45 qualified cattle. The reason for their being pulled from the sale would be announced from the auction block.

A three-person screening committee looked at all the cattle prior to the sale and no cattle were determined to be "outs."

Other Observations

One observation worth commenting on was the lack of bawling in the sales barn by the calves prior to the sale. The cattle were calm, relaxed and didn't show any of the stress associated with recently weaned calves.

There was a good crowd of not only buyers, but feeder cattle producers who came to the sale to "see how it went" before deciding whether or not to consign to a future sale. The sale committee saw the value of potential consignors having enough interest to attend the sale.

Future Sales

The Western Wisconsin Beef Producers plan to build on the success of the first sale by continuing to host sales at the Equity Auction Market. Two sales are scheduled for 2009 – October 9 and December 11.