

**Cattle Business in Mississippi – June/July 2008**  
**“Stocker Cents” article**

**Mississippi Homeplace Producers Feeder Cattle Sale—August 4<sup>th</sup>, 2008**

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Since mid-July of 2007, beef cattle producers and commodity support groups have been working to provide a new marketing option for Mississippi feeder cattle. After many meetings and input from concerned parties, the group has developed the “Mississippi Homeplace Producer Sale”.

This auction will be managed as a board sale by marketing cattle while they are not on site. Each lot will be represented by video or picture that is shown while that lot sales. The video or picture, along with a full description of each lot, will also be available to potential buyers and the general public prior to sale day.

The primary advantage of this type of sale is that it will accommodate a large number of feeder calves that might not all be ready to ship on a certain day by giving the flexibility to arrange for future delivery. Calves born in the fall of 2007 will be shipped soon after the sale and calves born in the spring of 2008 will be shipped at an agreed date as far out as late October depending on target weights. Past attempts to develop special feeder calf sales have often been hindered by failing to supply enough volume at one sale to provide a competitive advantage.

Another advantage planned for this sale is offering all cattle in load-lots made up of single or multiple consignments of uniform calves. These consignments will be received from across the state and loads will be assembled with regard to region and type of cattle. With the continued increase in freight cost, ensuring that buyers will not leave the sale with a short-load or be forced to piece lots together should attract more buyers and leave room for added bids.

Reducing shrink prior to taking the pay-weight has been an under-estimated issue that can drastically affect revenue. At the most recent Magnolia Beef and Poultry Expo, Jon Kilgore (Mississippi Farm Bureau Federation) and Twig Marston (Kansas State University) demonstrated that calves can shrink up to 10% of their weight overnight and as much as 6% over a six-hour period prior to selling. With this concept in mind, a 2%

pencil shrink was agreed to for this sale and should prove to capture several dollars per head that would be lost in some other marketing scenarios. Arrangements will be made for load-out immediately after the sale. The date will be set on agreement between the buyer and seller(s). Sites with certified scales near the origin(s) of each load will be identified by sales management.

Other advantages include reduced handling and comingling prior to shipping and the ability to establish a reputation that could bring the same buyer year after year, willing to pay more for calves from producers whose cattle have performed well in the past. In that regard, each lot will also be accompanied by a description of the ranches and families it represents. The Mississippi Cattlemen's Association will be providing this personal touch.

The primary marketing agent will be Southeast Mississippi Livestock AAL in Hattiesburg. Their board has agreed to handle the sale for a 2% commission. Insurance will be required for all consignments. Since cattle from across the state will be represented in this sale, consigners have the option to choose another marketing agent provided they agree to the terms. A \$5.00/cwt price slide will adjust loads that exceed the agreed pay weight after shrink. This will protect buyers as well as the reputation of future sales. For example, if a load sales for \$90.00/cwt at an average of 700 pounds, the price will remain \$90.00/cwt for any average less than 700 pounds. However, if the load averages 701 pounds at delivery, the price will be adjusted to \$89.95/cwt. In the same scenario, if the load averages 720 pounds at load-out, the price will be adjusted to \$89.00/cwt.

Health management and preconditioning are always among the primary concerns with these types of sales. This sale does not require a single preconditioning and vaccination protocol. However, calves that have been managed similarly will be grouped in the same load. For example, consigners who have vaccinated with the same products and preconditioned their calves for a similar amount of time will be grouped together and represented as such in the sale. Furthermore, several facilities across the state have been identified to provide custom weaning services for producers who do not have adequate facilities or resources.

This year's sale will be held on August 4th. Consignment forms and more detailed information are available upon request. It is extremely important to the integrity of this sale that all cattle are represented truthfully and accurately. It is also essential that each consigner remains committed to the sale after completing a consignment form. This commitment is not only to the management and buyers but, more importantly, to the other beef cattle producers that will be marketing in this sale. Please contact a representative of the Mississippi Cattlemen's Association, Mississippi Farm Bureau Federation, Mississippi State University Extension Service, or Mississippi Beef Cattle Improvement Association to learn more about this marketing opportunity and to obtain a consignment form.

