

The decision to retain ownership

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Producers have many options when it comes to choosing a time and a method to market their calves. There is the option to market calves at weaning straight from the cow, the option to market calves after a backgrounding period, the option to market calves at a heavier weight through a stocker program, or the option to retain ownership of calves through the finishing phase. When making the decision to retain ownership, producers should be aware of both the potential rewards and the added risk involved with this decision. While there is the opportunity to take advantage of increased profits, producers must also take a close look at the increased risk involved with choosing to retain cattle through the finishing phase.

Many producers are selecting herd sires that have the genetic ability to improve carcass quality of their offspring, but have no idea if their breeding and selection program is producing a high quality end product. There are numerous benefits to retained ownership, and one is capturing the rewards for improved genetics. Marketing cattle on a grid that rewards quality allows producers to take advantage of breeding decisions that improved the ability of calves to produce higher quality beef. Another added benefit that ties along with this is performance information that can be obtained of calves post weaning, as well as on the rail. Most producers do not know how their calves perform once they leave their farm, and this information can be invaluable when evaluating a breeding program.

Another opportunity with retained ownership, is the ability to take full advantage of a superior health and management program. Often the results of a good health and management program may not be received until further down the production cycle. By retaining ownership through the finishing and harvest phase, producers are able to take advantages of increased profits realized from a good vaccination schedule and weaning program.

However, along with this potential for increased profits comes increased risk. Producers are more open to risk from dips or changes in the beef and grain markets. Also, there is an increased risk due to unknown post-weaning performance or variability in post-weaning performance. If the price of beef should drop, or the price of corn should increase dramatically, producers may find their profits will suffer. There are numerous options available to insulate a producer from these risks, and these options can be tailored to each group of cattle.

The Mississippi Farm to Feedlot Program offers the opportunity for producers to evaluate feedlot and carcass performance of calves produced in Mississippi, and provides educational information to Mississippi beef cattle producers regarding retained ownership as a marketing alternative. To enroll cattle in this program there are several requirements. Health and management requirements include castration, dehorning, deworming, weaning and starting on feed, and vaccination for: IBR, BVD, PI3, BRSV, 7-Way Blackleg, *Pasteurella hemolytica* (Optional), *Pasteurella Bacterin Toxoid* (Optional). These requirements must be done at least 4 weeks prior to shipment.

Rules and Regulations:
For all cattle shipped:

- A one-load minimum (49,000 lbs.) is needed to make a shipment, but may come from multiple consignors.
- Steers and heifers are eligible.
- A consignment fee of \$30 per calf must accompany entry. Consignment fees will be credited to consignor feeding costs.
- Minimum of 500 pounds at delivery.
- Assembled at locations around the state once sufficient consignments are received to assemble truckload lots. At delivery, all calves will be individually identified with program ear tags.
- Final settlement will be made after all cattle in a pen have been harvested. The final reports and checks will be mailed within one week after final settlement has been received from the packing plant.
- Risk management decisions for consignments will be made by the TCSCF risk management committee in consultation with Mississippi State University Extension Livestock Economist, Dr. John Michael Riley.

Rules and Regulations:

For cattle sent to TCSCF feedlots:

- All calves sent to TCSCF feedlots must be sold to TCSCF for \$5 each. This allows the calves to be used as collateral to borrow against to finance feeding expenses. This eliminates the need for a feed deposit. Death will be a loss to TCSCF and the former owner.
- Calves will be fed a warm-up ration for 28 days. Calves will be placed on approximately 80% concentrate ration as soon as possible.
- Calves will be weighed individually at least 4 times: upon delivery, start of test period, time of re-implant, and prior to harvest
- Calves within a pen will be harvested on at least 2 different dates approximately 5 weeks apart, determined by the TCSCF Board.
- TCSCF Board reserves the right to disqualify any animal at any time if a problem arises with a calf entered in the program. Disqualified animals will be sold, and expenses will be charged against that animal.
- All TCSCF Board decisions will be final.

For more information about the Mississippi Farm to Feedlot Program or beef cattle production, contact an office of the Mississippi State University Extension Service.

References:

White, B.J., J.D. Anderson, R.L. Larson, K.C. Olson, and D.U. Thomson. "Review: The CowCalf Operation Retained Ownership Decision." *The Professional Animal Scientist* 23(2007a):18–28.