DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Cooperative Extension Service

Arkansas is Our Campus

2301 South University Avenue • Little Rock, Arkansas 72204-4940 • (501) 671-2000 • www.uaex.edu

Is Preconditioned Marketing Right for Me

What is a 'High Risk Calf'?

- **Sold in single head or small group lots through livestock market auctions.** These are high risk because these calves will be co-mingled with many unfamiliar calves in a new environment adding stress to the calf. It's like sending a child off to daycare or kindergarten.
- **Truck weaned.** Not only are weaned calves stressed by a new environment, truck weaned calves have the added stress of being removed from the most familiar thing they know, their mother.
- **Bull calf.** Since bull beef is tougher and sexually mature bulls can become aggressive toward one another which can result in injury and bruising, the US beef industry relies on castrating males as early in life as possible. When bull calves are castrated after purchase through a livestock auction market and comingled with unfamiliar cattle, they are more than twice as likely to become sick than steers experiencing the same stress.
- **Not vaccinated or improperly vaccinated.** Vaccines build immunity against disease. Calves that are not vaccinated don't have this extra protection. Calves given 1 shot of a vaccine but never receive a booster shot aren't protected either.
- **Not bunk broke.** Calves that leave the farm don't always go to someone else's pasture. They may go to a dry lot. In a dry lot, they are usually given something familiar, hay, but also are exposed to unfamiliar feed that has to be eaten from a trough and water that comes from a tank instead of a pond. Calves that know how to eat from a trough can adjust more quickly to their new environment.

How can I Reduce Post Marketing Health Risk with My Calves?

- **Castrate and dehorn calves** as early in life as possible.
- Vaccinate and booster calves for blackleg by 3 months of age
- **Deworm and vaccinate calves** for IBR, BVD, PI3, BRSV 4 weeks prior to weaning.
- Give booster shots at weaning.
- Wean calves using fenceline contact with dams, providing a high quality diet as either pasture or high quality hay and a small amount of feed supplement if needed.
- **Hold weaned calves on farm for 21 to 45 days** before marketing.

Figure of fenceline weaning.

Are Buyers Willing to Pay for Added Protection?

- Market place premiums historically average $5 to $8/cwt.
- From 2014 through 2016 the weighted average premium in OBQN (Oklahoma Beef Quality Network) sales was $13.82 for 350 to 650lb calves.
- In 2005 and 2010, preconditioned calves sold through normal auction markets in Arkansas sold for $4.68 and $6.84/cwt above average price.

Figure of calf receiving vaccine injection.

Where Does Preconditioning Increase Cost and Add Value?

- **Vaccinating and ear tagging** will cost $12 to $15/calf. Basically, the premium buyers are willing to pay should at least cover the extra cost for vaccines you have invested in cattle. **Specialized tags are often used to identify cattle for market that were enrolled and verified through organized preconditioned calf programs.**
- **Deworming** using an injectable dewormer will cost approximately $4/calf. Calves only need to gain an extra 4 pounds over 21 days to breakeven on the investment.
- **Castration** mostly involves labor. Bands, surgical knives, and wound spray will add some minor direct cost. Historical sale data shows that steers sell for $5 to $7/cwt more than bulls. Despite common belief, bull calves managed similar to steer calves don't weigh more at weaning. Plus, growth implants can be used in steer calves which can add $15 in value from added weight gain.
- **Feeding risk** associated with feed cost and livestock market price volatility are the greatest direct risk to preconditioning. Fenceline weaning calves to extra pasture is usually most cost effective. Whether fenceline weaning to pasture or dry lot weaning, supplementing with a small quantity of feed in a trough will help train calves to eat from a feed bunk. Learning how to calculate breakeven price and value of gain can help assess risk. For example, if calves are preconditioned for 45 days and gain 1.5 lb/d; without any market fluctuation, that gain may be worth an extra $71 or 1.04/lb. If cattle were supplemented and gain 2 lb/d; without any market fluctuations, that gain may be worth an extra $92 or 1.02/lb. To be profitable, the input costs of pasture, hay, and supplement can't exceed the value attributed to additional market weight.