## Management Strategies for Cull Cows

## Season 1, Episode 26

**Intro Music**

Interviewer (Olivia): Welcome back to Cattle HQ, brought to you by South Dakota State University Extension. I’m Olivia Amundson, cow/calf field specialist based out of Sioux Falls Regional Center, and my sidekick and cohost, Kiernan Brandt, from the Watertown Regional Center. Joining me on this podcast is Heather Gessner, SDSU Extension livestock business management specialist out of the Sioux Falls Regional Office where she shares her expertise in the livestock industry as well as works with farm and ranch families on farm management issues such as livestock budgets and marketing, risk management, estate planning, and farm transitions and whole farm business planning. I’m excited to have Heather on this episode of Cattle HQ to share her expertise in managing cull cows. Welcome to the podcast, Heather.

Respondent (Heather): Hey. Thanks for having me.

Interviewer: Today, we’re going to talk a little bit about cull cows and maybe some different management consideration when it comes to cull cows. Specifically this year, the market’s been really good for cull cows, so I think that leaves some different options open for producers. In terms of cull cows though, cull cows usually can equate to about 15% to 30% of the annual ranch income, so that’s a good chunk of change that these cows can bring in. I guess to get started, maybe let’s start talking about market variability with cull cows and, traditionally, when are cows being culled and maybe what times a year should we consider selling cull cows.

Respondent: Yes. You mentioned 15% to 30% of the annual ranch income, so this really is a big chunk of change that is potential in a cull cow enterprise if we want to think of them that way and not just think of them as that something extra that we need to deal with or we’re upset because we have open cows or old cows that we need to sell, but they really are that income source for the operation. When we’re thinking about trying to sell them, we really want to look at the seasonality and the variability of when are cows going to town, and they are one of the more seasonal, and generally, we can say this is when, historically, prices are higher than average versus lower than average with that high peak coming in the summertime, June to August, because people aren’t sending a lot of cull cows to market at that time, and then really seeing their lows, November to January, when you would consider your traditional spring calvers are all being preg checked, and we’re trying to figure out who we’re going to feed over the winter because winter feed is expensive, especially up in South Dakota in the northern plains up here. Those are some of the things we really want to think about. What’s the price going to be for that cow is one of our first steps and one of our first decisions that we’re looking at.

Interviewer: Now, I guess I was looking at some of the market prices around this area. Specifically, I always go to Sioux Falls Regional, which is down there by Canton, and I was actually just looking at cull cow prices yesterday and cull cows are actually bringing a decent amount of money right now. Do you think you’ll see that staying pretty steady right now considering that this is that heavy time to bring cull cows into the sale barn, or what are you projecting as this year [[Crosstalk]](https://recordings.civi.com/cgi-bin/player.php?file=Cull%20Cows%20with%20Heather%20Gessner.mp3&starttime=197&duration=20)?

Respondent: Yes. What am I projecting? I try not to project very much, but here’s what I think some people need to be thinking about. Historically, right now, we are sending a lot of cows to market and heifers to market, so there is not a lot of – there’s a bunch of females going to market, and the LMIC report this last week really has a pretty good graphic on that. Right now, we’re seeing that conflicting macroeconomic phenomenon that there’s a lot of supply going to town, but we’ve also got pretty darn good prices. Sioux Falls’ average price is in the upper nineties for some of our fat cows. Our average breakers weighing 1,200 to 1,600 pounds if they’re in good shape, they bring in $0.90. If we’ve got really good-conditioned cows right now, that’s really a signal to me saying, “Hey, the market is looking for your cattle,” even though a whole bunch of them are headed to town at this time when we normally see that prices dropping. That ties in with the current Cattle on Feed report showing in South Dakota we’re 7% behind normal, so that’s where some of that give and take is coming into. It’s not just a supply and demand of fat cows right now going to slaughter, it’s also what’s coming up, and they’re trying to look at filling some of those beef demand needs as we move forward in that marketplace.

Interviewer: Yes. Just a sidenote. Like I said, I was looking at some of those reports yesterday and I think a 1,700-pound cow went for about $0.96, and I was like, “That’s the time to be selling fat cows.” [Laughter]

Respondent: Yes.

Interviewer: Well, [[Crosstalk]](https://recordings.civi.com/cgi-bin/player.php?file=Cull%20Cows%20with%20Heather%20Gessner.mp3&starttime=303&duration=20) fat cows.

Respondent: Yes. If you’ve got that cow that was open all summer or if she was dry all summer and then came up open as well, she’s got two strikes against her. Somehow, she didn’t raise a calf this year. [Laughter] She came up open for whatever reason, but if she’s in good rig, 1,400 pounds and pushing some condition, the marketplace is really paying for those right now. If you could figure out a way, you got – she can walk, she’s got teeth, she’s all the right things with body condition-wise, and you want to put a hundred pounds of gain on her, you really need to be thinking about “How am I going to put the gain on? Is it going to be grazing corn stalks for a month?” Because if there’s a lot of corn out there, she might actually put on a hundred pounds after you wean her calf and she’s open or if she was dry and now open, put some really economical feed into her. If this market would happen to stay – I mean, even if it drops to $0.80, you still put a lot of pounds on a cow pretty cheap and get rid of her that way. You really want to think about what you’re feeding if you decide to feed that cull cow and not just feed her because you think the market’s going to drop or it’s traditionally the low time of the year for prices.

Interviewer: Heather, with the few cattle, as the inventory suggests, that just the current population is running with, can we just expect to see some maintain demand for cows in good rig like you were talking about? I think we should dive in a little bit and talk about what that means just how those cull cows are marketed based on their body condition.

Respondent: Yes. You went two directions on that one. Right now, there is - thousands and thousands of cows left Texas and Oklahoma due to the drought that they’re having down there. That need of beef in the marketplace is going to remain pretty high because if those – those cows are no longer part of the factory anymore and they’re not making feeder calves for next year coming up because of the feed situation, so there’s going to be a demand for calves, cows, fats, the whole nine yards, bred heifers to replace some of those herds that were culled out pretty hard. I think there’s some favorable inklings going on for producers in the future here, so they really need to be looking at that going, “All right. Let’s see what I can keep to the best of my abilities but let’s get rid of those that need to be gotten rid of as well,” and that goes into some of those “They’re mean.” [Laughter] In my world, there’s no reason to have a mean cow around. She is not worth it. She riles up the whole herd when you’re trying to work them. She’s unsafe. If you get hit and hurt and you’re out of commission for a month or two or three because of a broken leg or whatever it is, or worse, she’s just not worth it. If they’re mean, let’s get rid of them. If they’re not very ambulatory, if they got an old limp or something like that, if we can put some condition on them and move them through the sale barn while they’re younger and have some potential to bring money in the marketplace, you might want to do that, or look at processing them for home consumption. Because once they get old and thin and have no teeth and now they limp into that sale ring when they come in, you are really going to get hit on them hard. They’re going to take a pretty big dock that year. Thinking about the animal on a per animal basis, as you would grade them, can they walk? Do they have teeth? Are they already fat or are they really thin? Why are they really thin? If they’re unhealthy or they have some type of health issue, a chronic something, maybe it’s better to just get rid of them at that point instead of putting more feed into them, trying to put more medications into them to fix whatever it is, because then we have to hang onto them for our withdrawal periods. So now, we’re pumping expensive feed into a cow that maybe just is chronic and won’t get better, so we take the loss on her now instead of putting another $300.00 worth of medication and $300.00 worth of feed into her that you’re never going to see coming back. Yes, knowing what type and kind of cows you have coming in open and what their potential is, you really got to use your – take the heart out of the conversation in the matter and use the business side of the planning process on that one.

Interviewer: Heather, you brought up a lot of really good points, and I think you answered one of the questions in terms of how do we decide which cows we’re going to cull, and I think there’s some just straightforward reasons why we’re going to cull cows, and you’ve brought a lot of those up. Now, let’s say we have a cow that came open at the end of the year, she’s in a decent body condition but we could put some extra weight on her, and like you said, winter feeding can get really expensive, but you have a nice table on one of the articles that you have up on the website where you compare three different feeding options when it comes to cull cows. Can you describe this for our listeners and maybe discuss what some of those numbers look like and maybe give them some options in terms of what are some ways we can maybe put on some gain and is it going to be beneficial for us when we sell those cull cows?

Respondent: Yes, I can try to explain that a little bit. Basically, we’ve got three options that we’re looking at if we consider that we have a 1,200-pound cow that came in open in November, just for example and a spot to start. We can look at her right now and say, “Okay. She’s open. She’s 1,200 pounds. I can get, say, $0.79 at the market for her.” I send her straight to town. She brings in about $950.00. We can use that as our base cow, and here’s our option with her right off the bat. Then, we also talked about grazing corn stalks. If there’s corn out in that field, let’s say we put her on feed until February, we put her out, she runs out on that corn stalk, so roughly, 70-some days, maybe she can gain two pounds a day. Because she is thinner, she gave all of her energy to her calf, so now, we’ve got that compensatory gain that she’s putting on, grazing all that corn that you lost out in that cornfield. If we consider $1.00 a head per day, just as a corn stalk grazing rate, so it would be whatever your grazing rates are in your area that you need to consider, but if we think of that as being $70.00 worth of feed and labor that we put into her, just having her out on corn stalks there, we can get her up to 1,300 pounds. If that 1,300-pound, in better condition, better body condition score, she’s now pushing a five, maybe a six, instead of what she was as a 1,200-pound cow, you might get $0.80 to $0.90 for her. If we’re using today’s market prices and we’re trying to be a little conservative with some of our estimates, that 1,300-pound cow at $0.80 now puts you in about a $980.00 value. We jumped $30.00 by keeping her. We really need to think, is that enough gain for our time, for our labor, for keeping that cow?

The other idea is that you could, if you’ve got feed available, you’ve got silage or you have a dry lot pen to put her in or you can make her a TMR, that total mix ration, to really meet all of her needs, so instead of gaining two pounds a day on corn stalks, we bump her up to three pounds a day on a ration that’s going to be maybe pushing closer to $2.00 per head per day for that gain. We’re putting $140.00 into her now. We basically doubled out feed cost, but we can get her to 1,400 pounds, we’re - almost have a $1,000.00 cow. We’re trying to be conservative with some of our estimations and some of our prices here, but we went from a $950.00 cow to a $1,000.00 cow. Is the $50.00 worth it for your operation as that additional breakeven piece? Especially in this drought year where we’re looking at – I drove around several counties the last couple of days just road hunting and pheasant hunting with the crew and stuff, there’s a lot of pastures out there that are not going to be ready to go May 1 this spring even if we get a lot of snow. We’re going to look at pushing back turnout dates a bunch this year. If we’ve got a cow that’s in decent rig, we can get $950.00 or better for her right now. Say, her breakeven was $600.00 to $700.00, she’s already being a profitable cow for us at that point, can we save that feed for the cows that are pregnant and have the potential to add value to our herd in the future? We got to look at that opportunity cost this year, especially given maybe you didn’t have as much silage put up as normal or as you wanted, or you didn’t get as many ton of hay, you’re thinking that you’d probably going to end up buying haybales. Well, instead of feeding that hay over the winter months this year, maybe we sell that cull cow and have that feed on hand and available for those pregnant cows that are still being our factory and still working for us.

It’s really going to be an individual decision this year. There’s no blanket that just says, “Yes, sell them all,” or there’s no blanket that says, “Yes, let’s feed them and turn them into something because we’ve got three quarters more hay than we normally put up. We’re running feed heavy this year.” If you’re running feed heavy, super try to maximize your value as much as you can on everything that you’ve got or we can minimize the amount of expenses that we’re spending on an open cow while still generating a profit for our operation.

Interviewer: Yes. I think you said a lot of really good things there. For someone who just maybe has a hobby herd and buys all of her feed, you really have to learn how to take the emotion out of it and really think strategically when it comes to maintaining an efficient herd and being able to put that feed in front of those calves or – and/or cull cows. So, I really like - I mean, just thinking strategically how you really need to do it and making sure that you’re getting those things done to make it a profitable operation.

Respondent: Yes. Right. Especially if you’ve only got a few cows. Somebody that’s got a herd of 40, 50 cows, they want to keep every cow that they’ve got, so they’re like “Hey, I’m going to keep this open cow, turn her into a fall calver.” Well, we could do that this year and we could look at our feed, and if she’s in good rig and she’s fairly young, so her genetic potential is still there. If she’s an old cow, maybe it’s time she moves on and we improve our genetics with a younger generation. If you’ve got that older cow and you just want to keep her because you love her and she’s near and dear and she was that last show heifer or whatever the case may be, and I have had those last show heifers that had to go to town and it hurt and it sucked and those types of things, but we need to look at her and say, “Is she valuable to me as a fall calver, not creating another saleable product until that future time after I feed her all winter and not have any income from her again?” Especially, given this feed situation out there in grazing lands, pastures around - especially the southeastern part of the state that I’ve been driving in, they’re really in tough shape. If your pastures really need a lot of help and are going to need extra vacation brick this spring to get going and actually grow a product for you next year, we’re going to have to keep the cows out of those pastures as long as we can this spring coming up.

Interviewer: I think Heather said it really well. If you’re purchasing all your haybales, you’re probably – it’s just important to throw that caveat in there and remember that there is some scale to this and some things that help and some things that don’t, and if you’re purchasing all your feed, that’s going to end up being your limiting option, especially if you look at it from the scenario that “Okay. I’m going to feed out one cull cow and try and get her,” and think about that realistically, we’re only expecting her to gain about $3.00 in value every day. So, what’s the likelihood that we can purchase that feed and feed her and increase our margin with that $3.00 a day? That’s going to take some scale for us to get there, and I think back to, at its simplest form, the price received for a cull cow should be able to almost, if not entirely, recover the cost of purchasing a new replacement heifer or raising a new replacement heifer, and I think with where the market’s at right now, we’re set up pretty well to get that accomplished. If prices are good and you’ve got cull cows that are identified as cull cows and you don’t have feed bought for the winter and there’s pastures that need tender loving care for next year, then, yes, maybe it’s a good idea to cash out and not have to bother with all the extra time and labor and those things. I’ve already been thinking about different feeding strategies for this winter just in terms of counteracting diesel prices. Can you get away with supplementing cows every other day and not have to start the tractor every day just to cut out some of those chunks? That’s going to vary place by place, but we keep circling back to that price received is going to dictate whether or not you’re making money or not, and what you have to spend to feed those cows is going to be important, too.

Interviewer: Even thinking about hauling water, especially if you have cows on corn stalks. When you talk about offsetting some of those diesel prices, well, I feel like there’s situations which way you run.

Respondent: Yes. A lot of the normal slough where you watered out of, the stock dams, they’re dry or going dry. I was driving around from Lake Andes last week and cow’s stuck on the edge of the stock dam because it’s that muddy on the edge, so how much does she lose just in stress and hanging out however long she’d been in that slough, and by the time you put a chain around her and get her out of there, what did she hurt? What ligaments are pulled in her legs? Is she not going to get up and eat for the next couple of days while she’s still in pain? Especially those older cows that are going to have to fight at the feed bunk this year, if they’re fighting for corn stalks, if they’re fighting to get in and out of water, they’re putting a lot of effort and energy into their muscles just to do the normal things that they do, and so they’re not going to gain what we normally want them to gain. Trying to evaluate your herd that way so that you can remain viable and economic while still looking at all the components of, what am I going to have for grass next year? How many calves do I need to sell so I can pay my bills next year? What’s the minimum size cow herd I can run? Is this cow going to make me money right now selling for $0.96 when she’s fat? Probably she should be profitable and help you make back some of the, like Kiernan mentioned, have enough cash there to develop a heifer if that’s what you want to do or buy a replacement bred from somebody that’s also trying to reduce their herd sizes because they’re out of grass as well.

Interviewer: Heather, you have a lot of really good resources on the website, things like cattle budgets, and just even articles in general talking about cull cow options. Do you want to just give our listeners some ideas of the things that you have available that they can utilize and maybe look at some of their options?

Respondent: Yes. One of the first things, we’ve talked a lot about how much feed do you have on hand versus how much do you need. We have a feed inventory and demand calculator that helps you look at how many cows you’re feeding throughout the year, how many calves, what weight of calves, if you’re going all the way up to fat cattle before you sell them, how much feed is it going to take for those animals to maintain what you have on hand, and then you can compare it against what you’ve already laid in by harvesting through the summer. That’s really your first step, is how much do I need versus how much do I have, and then you can look and say, “All right. Maybe now I need to be putting together a herd reduction plan for this winter coming up because I don’t have enough feed laid in,” or try to figure out how much feed you need to buy in the form of haybales or extra DDGs or corn stalk bales or whatever you can find that way.

The next thing I would really, really, really encourage everybody to do, it’s not really related to one of the budgets, is to get your core sampler out or borrow one or rent one from somebody and take a feed sample of each of those different cuttings of hay, the different grass that you put up. Because of the drought, there might be different feed values in that this year than you normally have. Knowing that you’re dealing with lower protein grass hay or alfalfa really is important to making sure that those cows actually gain and maintain weight like you thought they were going to. Get your probes, get your feed samples set in so that you can then create a very balanced budget that is the most economical for your herd and for your operation. From there, you can take those numbers, put the feed cost into any of the cow budgets that we have online, and it’s anywhere from feeder calves to developing it for bred heifer, a cow budget, getting her from breeding all the way to selling that first calf turning in a steer and - from a feeder calf into a fat steer. I think there’s 14 different budgets on there that you can put the feed cost into the budget, add in your veterinary cost, your labor supply expenses, marketing fees, trucking fees due to diesel fuel being high, really takes a solid look at that and say, “All right. Here’s what I need this feeder calf to bring me come next fall,” or maybe if I’m trying to think if I’m going to background this fall for those calves coming in, then I can say, “All right. Now, I need a put option or an LRP insurance product on those animals so that I can put in some [[floors]](https://recordings.civi.com/cgi-bin/player.php?file=Cull%20Cows%20with%20Heather%20Gessner.mp3&starttime=1456&duration=20) on my calves because I can make a profit at this price right now.” Lots of those tools that are out there that can help you say, “Here’s all my input cost. Here’s what I need for some returns.” Because right now, thankfully, input costs are high, but so are our prices being received right now. So, if we can lock in some of those prices and really take a solid evaluation of what it costs versus what I’m going to get, it’s hard to go broke selling for a profit. If you know what your input costs are, you have a better chance of selling for a profit because you know what that is, not just selling on the third Tuesday of November because that’s always when we take calves to town.

Interviewer: Heather, you talked about testing or using that hay probe and testing your feed and sending in samples. If you’re maybe not around or nearby one of the regional centers or an extension, county extension location, where can people or how can people get their feed tested?

Respondent: The Sioux Falls Regional Office, we’ve got a hay probe that people can borrow. Some of their county offices might have some of them. Yet, I would go talk to your feed retailer, “Where do you get your protein and the rest of your vitamins/mineral packages from?” see if they’ve got a probe that you can buy or borrow from them. If you’re in this to make money, the $150.00 or $200.00 for that hay probe that you can put on the end of your drill is probably one of the most economical tools that you’re going to buy. Because if you’re not overbuying protein or you’re not underfeeding protein or energy or whatever nutrient your herd really needs, you’re probably going to make that $200.00 up like Jiminy Cricket fast. If you don’t have access to one to borrow, it’s probably one of those tools that you should have in the shed anyway and be sending those feed samples in and knowing what you have. If it costs you $500.00 a year to know, you probably make that $500.00 a year in that tool and the feed sampling quicker than you can even snap your fingers.

Interviewer: We have a list of labs that you can send those feed samples to, too, so I can put that – or I will put that up on the show notes, so people can look those up as well.

Respondent: Yes.

Interviewer: I guess if they have any questions in regards to sampling feed, they can always get ahold of – one of the three of us will have all our information up there as well. [[Crosstalk]](https://recordings.civi.com/cgi-bin/player.php?file=Cull%20Cows%20with%20Heather%20Gessner.mp3&starttime=1612&duration=20)

Respondent: Yes. There’s a YouTube video on taking a core sample online. Warren and Tracy put it together. That’s a great tool. “Here’s how you should take this core sample, and here’s where it is,” so that you can send in good quality samples as well.

Interviewer: Heather said it really well on a presentation the other night. What’d you say, Heather? If you’re putting up hay, weight a few of the bales, maybe grab some samples, just so you know what you’re working with, and it’s so true in all of this stuff. I mean, I think throughout the conversation, they would talk about some stuff that maybe inferred some things about things that are potentially already going on on an operation. Maybe you can just start by acknowledging the fact that prices are high and that we need to identify cull cows for the first time and not just find out when they don’t calf. Information is really, really beneficial, but you got to start somewhere, so just chip away at it and take it one step at a time.

Respondent: Yes. They might need to take that first step of preg checking in November and not just taking the exception that come April and she didn’t calf, she was that open cow. Preg checking might be really, really valuable this year so that you’re not putting a lot of feed into an already open fat cow that could be making you money instead of eating her way through the winter of money that way, so – because I even went so far and suggest to some guys that it’s too early for me to preg check because there’s not a very big anything in there to find just yet. Well, maybe ultrasound this year is going to make you some money if we don’t have to feed that cow until the calf is big enough for me to identify through palpation methods. That ultrasound component and that extra tool, again, might cost you $20.00 per head to have everything ultrasound, but if you can guarantee that she’s open through ultrasound and get rid of her because she’s in good condition now, you just made $20.00 up really fast. What’d you feed her? Twenty days for $20.00 if you’re out on corn stalks when that feed could be – if it doesn’t snow [Laughter] this winter, somebody else will eat that ear of corn that she was eating and put that towards making you a calf next year. Yes, you’re right, Kiernan, we inferred that they were going to preg check.

Interviewer: Sometimes, you got to just circle back to the little stuff first…

Respondent: Yes.

Interviewer: …and, yes, figure out those open cows first, especially we’re going to talk about strategies like beating market saturations and things like that, we got to have some – some of those basics got to be in place to develop that, a distinct cull cow enterprise.

Respondent: Right. Yes.

Interviewer: That’s how you make money, is treating it like its own distinct enterprise, so…

Respondent: Yes. Weighing a bale of hay, preg checking, taking a feed sample, yes, knowing what you have to start with, for sure.

Interviewer: Right. We’re working on a cull cow evaluation app that I don’t know if you wanted to dive into, Olivia, but essentially, it will be a shiny app. It will be, hopefully, a pretty user-friendly interface where we’ll get to use some of the stuff that we’ve talked about today. Producers will have the option to identify if they’re going to sell their cull cows immediately or feed them for 30 days or 60 days and try to achieve some specific gains with them, input what they can estimate their own feed costs will be, and hopefully, what it ends up being is just a side-by-side comparison as is it more profitable based on what we’ve got for feed right now to take into the sale barn as soon as we know they’re open or is it worth trying to feed them for a predetermined duration of time and trying to maximize value? We’ll see what that app looks like. We were supposed to have it by now, and it hit a couple of hang-ups, but it’s coming.

Interviewer: All right. Well, Heather, I think that warps it up when it comes to talking about cull cows. Thank you, Heather, for joining me on this podcast today. Once again, this has been Cattle HQ, brought to you by SDSU Extension Headquarters for all things beef cattle. Visit Extension.sdstate.edu for the latest beef information.

**Outro Music**