



Study Proves Dairymen Are Losing Money

Editor's Note: This is the seventh in a series of articles focusing on the dairy and beef quality assurance programs available throughout the United States. These articles will provide information for dairy and beef producers to better manage the quality care of their animals.

For decades the question has been, are our cull dairy cows capable of commanding more money at the auction houses. A recent study assures dairymen more money while probably embarrassing others who realize the money they've lost on cull cows because they've sent them to market in poor condition.

The study was based on procedures that have been utilized in previous beef checkoff-funded quality audits during the holding pen evaluations. They were designed to give dairy producers more information about how their animals are valued within the beef chain when they are sold through auction markets.

George Patrick, technical services manager for Cargill-Wyalusing (Taylor) in Wyalusing, Pa., a meat processing company, believes dairymen could pay more attention to their cull dairy cows. "Dairy producers need to look at their cull cows as an opportunity rather than a byproduct," Patrick said. "Dairy farmers don't follow the beef market like they should; they're only worried about milk production."

According to other experts in the field, the data collected in the study concluded that there is significant economic impact for dairymen. Producers will realize premiums for selling high-quality cull market cows. The dairymen will also recognize serious deductions for animals taken to market in poor condition.

They point out that 6 to 8 percent of the total beef produced in the United States is attributable to market dairy cows and that paying attention to quality issues improves the salvage value by making the cull animals sold more desirable for the packer buyers.

Data was collected at 10 major livestock auction markets with regular weekly sales (four in California, five in Idaho and one in Utah.) Researchers conducted studies during two seasons in 2008 on major characteristics including gender, breed, and number of head in a lot, total lot weight and selling price. Subjective scores based on established evaluation scales were assigned for body condition score (BCS), muscle score and locomotion score.

Researchers also evaluated animals for specific Beef Quality Assurance BQA-related defects including foot abnormalities, evidence of mastitis, retained placenta, brand presence, horn presence, cancer eye score, prolapsed rectum/uterus, evidence of surgery, abscess/sore presence, if the animal was visibly sick or any other condition that would affect sale price.

Incidence rates of BQA traits in markets cows were collected on 9,177 lots totaling 12,429 head. The mean sale price was \$42.23 per hundredweight. The majority (86 percent) of cows sold for \$30 to \$60 per hundredweight. Premiums and discounts were determined in comparison to a "par" animal. For the cow model, the par animal was a Holstein cow that sold as a single head lot during the fall and was healthy, weighed 1,400 to 1,599 pounds, had a 3.0 body condition, 3.0 muscle score, 1.0 lameness score, average-sized udder, and did not have horns, brands, knots, sores, cancer eye, foot abnormalities, leg bands udder defects, or reproductive defects.

Based on the study, it was clear that cow buyers preferred moderate to heavy body condition — premiums of up to \$1.35.cwt. For body condition score (BCS) of 3.0 to 4.0. Cows with a lower BCS of 2.0 to 2.5 are in much less demand, but still represented 42.6 percent of market cows evaluated. Emaciated and nearly emaciated cows with a BCS of 1.0 to 1.5, which comprised 13 percent of the market dairy cows in the study were strongly discounted by \$20.47 and \$12.19, respectively.

The average weight of cows in the study was 1,488 pounds. Lightweight



Rebecca Long Chaney

cows (>1,000 lbs) were discounted substantially at \$6.72 compared to cows weighing 1,400 to 1,599 pounds. Cows weighing 1,000 to 1,199 pounds and 1,200 to 1,399 pounds were discounted \$2.89 and \$1.14 per hundredweight, respectively compared to par cows. Heavier cows weighing more than 1,600 pounds received premiums of up to \$0.97 per hundredweight.

The results between increased body weight and price for market cows indicates that dairy producers should consider adding pounds to lighter weight market cows prior to sale. Benefits mean avoiding the lightweight discount, accessing a premium for heavier cows, as well as the opportunity to sell more weight at a higher price.

The idea behind the study is for dairy producers to think seriously of the money that can be made with cull cows and the money being lost because animals are not being reconditioned, rehabilitated or culled in a timely manner. "Data from the most recent National Market Cow Audit shows that two of every three cows at harvest are too thin to be marketed and one out of every two cows are lame at the time of harvest," said John Frey, executive director for the Center of Dairy Excellence.

The study found that lameness discounts could reach as much as \$4.03 per hundredweight and a poor muscle score could result in a deduction of up to \$6.92 per hundredweight. Cows with small udders received a \$.054 per hundredweight premium while an extra large udder could cost the dairyman a \$1.18 per hundredweight loss. Sick cows were discounted as much as \$15.77 per hundredweight during the study while foot abnormalities saw a \$5.79 per hundredweight discount. Cows with visible mastitis had a discount of \$2.35 per hundredweight.

Cows in the early stages of cancer eye had a discount of \$6.78 per hundredweight and cows with severe cases received a deduction of \$32.04 per hundredweight. Retained placenta saw a discount of \$5.02 per hundredweight and displaced abomasum or caesarean section led to a \$8.64 per hundredweight discount. Body sores got discounts up to \$4.85 per hundredweight.

The research proves that there are significant dollars to be gained on cull dairy cows with improved management. According to James Zimmerman, vice president of Empire Livestock Marketing, in these changing times of the dairy industry, all producers are seeking ways to improve their bottom line and the results of this study will help.

Empire is the largest livestock marketer in the Northeast. Zimmerman believes this research confirms the necessity of marketing dairy animals in a timely fashion and provides potential objective tools to use to improve market cattle value.

What dairymen need to know is that the pricing model helped identify that the range of discounts was greater than the potential premiums. So therefore, the best strategy for producers is to avoid major discounts through management and timely culling. Improved management of cull dairy cows will optimize revenue opportunities and decrease the likelihood of market cows entering the marketplace in marginal condition.

Editor's Note: For more information visit one of these web sites: www.pa-bqa.org and www.centerfordairyexcellence.org and www.bqa.org.