CULL COWS

Show me the money!

I’m not really a movie buff, but I’m sure some of you are and will recognize that phrase from the 1996 movie Jerry Maguire. I don’t really remember much else about the movie – only the catchphrase – so if it was a bad movie, please don’t judge me.

For 30 years now (maybe longer) I’ve been hearing about the seasonality of cull cow prices. The experts – including me, although I’m not an expert – continually talk about cow prices being the lowest in November, and higher from February through August.

It is good to know that cow prices will likely be higher in May than in November, but what I really want to know is how much higher. Show me the money.

I looked primarily at data for the years 2005 through 2014,....because that’s what I could find. However, I also found some numbers from 2006 and 2007 that showed a similar pattern – prices declining from September through January, then starting to pick up in February.

Expressed as a ratio, the 2005-2014 data showed May to August prices in the range of 103 to 105% of the year’s average price. For November, December, and January the ratio ranged from 91 to 95, with January actually being the low during that stretch of years.

Prices started to improve in February and were near their peak in May, and holding up pretty well through August. The peak wasn’t always in May; one year the cull cow price peaked in August. However, during that 10 year period, the price was always the lowest in November,
December, and January.

So, let’s do some math.

I’m going to assume a $65 per hundred weight average price for cull cows for this example. If my cow weighs 1400 pounds and I get the average price for the year, then she will bring $910.

Now, let’s assume I pick a good day during the bad months – November through January – and she brings 95% of the average for the year. That makes the price $61.75 per hundred and my 1400 pound cow is worth $864.50. OK, that’s only $45.50 below the average for the year.

Being realistic in my marketing skills, let’s now assume I get 103% of the year’s average by selling in May. Now the price is $66.95 and the total value of my cow is $937.30.

If you’re still with me and following along with the numbers, and if you have any clue what it costs to feed a cow, you’re saying, “This doesn’t work, Greg. I can’t feed a cow for six months for just $72.80.” ($937.30 - $864.50 = $72.80)

I agree with you on that one. So, let’s look at some other options. What if that cow was thin in November and you could turn her out on corn stalks and have her gain 100 pounds by February? Or, maybe we really need to be looking at culling cows in August before the price drops? That might work.

If a cow is open when she comes off grass, your options are limited. You can either sell her now and take a hit on price, or feed her at least until February and hope the price improves. If corn stalks or milo stalks are free, then I might hold her until February.

If a cow is just old, but pregnant, I would calve her again and sell her in July or August. You could sort those cull cows into a small pasture that doesn’t work well for your desired bull to cow ratio anyway, and not bother putting a bull with them.
In mid-July you could feed a few pounds of a calf weaning ration to both cows and calves for a couple of weeks, then in early August the cows could go to town. Leave the calves behind and increase their weaning ration, and you’re all set.

Let me add one disclaimer. I think those calves will stay put when the cows are moved, but I really haven’t tried it. I’d be more comfortable if there was an old cow or two left behind to keep them company, but are we going to do with an old open cow?

It’s never quite as easy as it looks on paper.

If you have questions, you can reach me at the Riley County Extension Office at 785/537-6350. Or, you can send e-mail to gmcclure@ksu.edu.

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