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This Issue:  
Beef Cattle Management  
and Marketing

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**Title and Focus of this Western Economics Forum Issue:  
Beef Marketing and Management in the West**

**Introduction by Hernan Tejeda – Assistant Professor and Extension Specialist, University of Idaho, and Guest Editor for this Issue of the Western Economics Forum, and Daniel O’Brien – Assistant Professor and Extension Specialist, Kansas State University, Member of WEF Editorial Team**

The beef industry faces many challenges, and is a major part of the agricultural economy in many Western states in the United States, in terms of both size and economic contribution. Several beef related enterprises are covered in the industry including cow/calf production, bull production, stocker and backgrounding operations, feedlot operations, slaughter plants and meatpackers, among others. In this issue of the Western Economic Forum we have sought to focus on topics associated with the theme of “Beef Management and Marketing”. For this purpose, we asked a group of prominent economic scholars and colleagues to provide research contributions that addressed the overall theme of this issue. The following articles serve to widen and increase our knowledge of current beef management and marketing issues in the Western U.S..

Derrell Peel and John Michael Riley from Oklahoma State University provide a comprehensive description of broad, big-picture, feeder cattle market steady relationships covering lightweight calves to heavy weight feeders, and through time, place and form. The authors also indicate numerous elements to consider when analyzing the market from a narrower, micro approach. There is also discussion addressing stocker, backgrounding and feedlot activities and enterprises that provide insights into the flexibility of the sector, as well as an understanding of the difficulties in its market predictability.

Nathan Thompson from Purdue University discusses genetic testing in the beef industry. Thompson provides the perspective that beef genetic testing does not just serve as an instrument that broadens the information provided for users’ (e.g. feedlot) decision making. He also presents scenarios that provide opportunities for

increased returns and profitability from the use of genetic tests. Approaches that enhance the economic benefit of employing this instrument can assist current and increase the demand for beef genetic testing from potential new users. The author examines the progress made in the information provided by these tests, and presents two approaches that may improve its cost-effective use.

Tina Saitone from the University of California at Davis notes the increasing demand from beef consumers for information related to different beef/cattle business operation practices. Consumer requests for beef attribute information are not just in the realm of quality, but also includes management, marketing or other programs (e.g. vaccinations). Using recent 2017 data from the largest satellite video auction in the West the author determines the economic contribution associated to different management characteristics and practices employed. Saitone considers separately: (i) lots of steers, (ii) lots of heifers and (iii) mixed lots. Results show premium improvement from lots selling only steers or heifers, as well as from weaning calves 30 days or more prior to delivery. Other interesting findings are also provided.

Brett Wilder, Hernan Tejeda and Aaron Johnson from the University of Idaho discuss the shifting conditions of the live cattle market considering its recent increased volatility. The authors provide ample evidence of changes through recent years in the volatility of live cattle markets and of live cattle basis. Basis (the difference between live cattle cash and futures markets) is very useful for cattlemen in anticipating their local cash market by using historical basis and futures markets. The dynamic relationship between cash and futures markets is investigated given these changing conditions. Results reaffirm that - despite the new market conditions - basis remains predictable, and still provides appreciably lower risk than overall price risk.

Lee Schulz, Brenda Boetel and Kevin Dhuyvetter from Iowa State University, University of Wisconsin at River Falls and Elanco Anima Health, respectively; review the economics of weight gain on beef breed and Holstein (dairy) feeder cattle considering price slides. Price slides refer to the level of a cattle's price adjustment in response to weight changes relative to a base weight, and are expressed in terms of historical averages; e.g. average price difference over the last ten years between cattle having a 100 lbs. weight difference. These price slides are useful for dynamic price forecasting (among others). The author(s) update a prior study by Dhuyvetter and Schroeder (2000) - that investigated how market conditions affected price slides - given the post-2000 increase in price volatility and decline in price reporting due to the increasing number of private marketing arrangements. Dairy cattle are included in this analysis for comparison with beef breeds. Using Wisconsin auction markets' weekly data from 2010 to 2017, the authors corroborate some previous results and arrive at insightful new findings.

Eric Belasco and Ashley Hungerford from Montana State University and the USDA Economic Research Service, respectively; provide an in-depth overview of the Pasture, Rangeland and Forage (PRF) program. The PRF program is designed to help cattle producers cover or insure against the effects of drought on pasture, range and forage feed components. The authors describe how the PRF program has changed since its inception in 2007, including modification from vegetative index to rainfall index program costs charged to uses in the western states. Examination of loss ratios and other factors are also included. The authors also show how the design of the program has favored rangeland management decision making of cattlemen regarding drought risk abatement.

Anna Stehle, Derrell Peel and John Michael Riley from Oklahoma State University make use of a rich dataset containing seven years of pen-level data from a large commercial feedlot. In this analysis they describe the variability in cattle feeding operations of feeder cattle placed according to weight and time of year. The purpose is to unveil the many differences in relationships that occur in feedlot production factors, during specific months of the year and for various weight placements of steers and heifers - which go generally undetectable from overarching averages. This comprehensive view on the evolving effects from cattle feeding parameters provides numerous avenues to further investigate the economics of feedlot production in the United States.

Hernan Tejada, Benton Glaze and Scott Jensen investigate the economics of bull traits in the Pacific Northwest, specifically in Idaho. Topographic and climate conditions of this territory are much different from those in the Plains or Midwest. The authors use recent bull auction prices and catalog data to determine the characteristics most valued by bull purchasers for cow/calf production. Some results corroborate those from previous studies applied to the Plains and/or Midwest; though other interesting findings seem to be related to the geographic conditions of the region studied.

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