

Five tips to improve your feeder buying



Table of contents

Plan twice, purchase once3
Order buyers earn their commission4
Buy weaned and ore-conditioned calves5
'All I can make" is not a profit objective6
Fully explore all marketing options7

Plan twice, purchase once

The time to develop a successful marketing plan for feeder cattle is before they are purchased — not after. That means prudently calculating your break-even using realistic assumptions of total costs. Be sure to include costs for total feed, processing, veterinary care, trucking, shrink, commissions, realistic death loss, and realistic yardage. Don't forget your own labor.

The temptation to "make cattle work" by deliberately computing inaccurate break-evens can prove to be very costly.



Plan realistic expenses prior to purchase to support profits



Order buyers earn their commission

Depending upon your level of expertise, knowledge of regional markets, competition, and other time obligations, paying a skilled, reputable order buyer commission can be money well spent.

Positive factors, such as cattle quality and consistency, minimum shrink, and a lack of health problems, can more than pay for professionals who know how to get the job done right.



Order buyer commissions can be money well spent.



Buy weaned & pre-conditioned calves

If you decide to invest in calves and light-weight feeders, don't be afraid to pay more for weaned and pre-conditioned cattle.

While some struggle to see the extra value, nearly all cowboy nurses agree these animals are worth it. Since calves typically move from the ranch during times of fluctuating temperatures and weather conditions, sickness and death can be major barriers to your ultimate marketing success. Critical health management begins long before your new cattle charge off the truck.



Investing in these calves can help you avoid sickness & loss



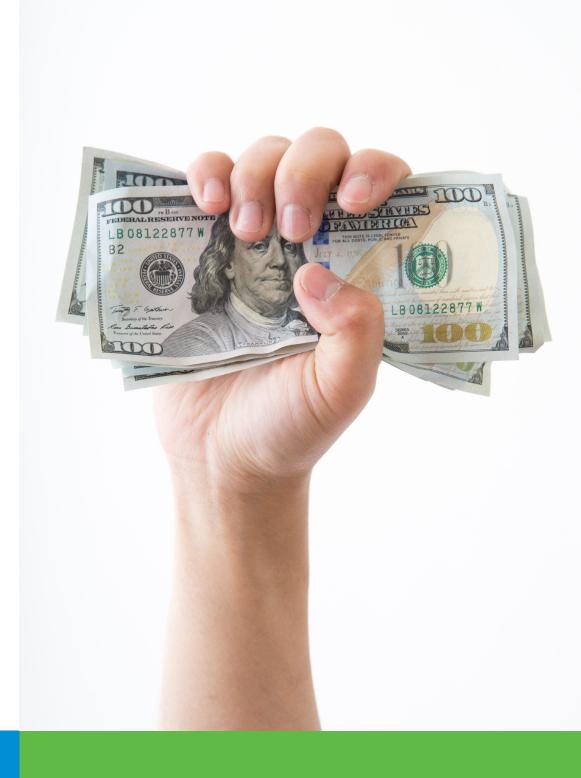
"All I can make" is not a profit objective

Setting a realistic profit objective for any cattle feeding project is absolutely critical. The same is true for setting limits on how much you are willing to lose.

Neither bull nor bear markets come with a one-size-fits-all context. If you use perspective in order to judge "how high is high?" or "how low is low?," be sure and pack it yourself before the market ride begins. Both fear and intoxication can be fierce enemies of successful decisions.



Set realistic profit/loss objectives early to ensure good decisions



Fully explore all marketing options

Not all feeder cattle buy a one-way ticket to the packing house. Indeed, there are multiple potential profit centers along the way as calves slowly mature to fed slaughter steers and heifers.

Be sure to investigate all possible stages — such as winter pasturing, backgrounding, summer pasturing, and finishing — in order to discover the most promising risk/reward opportunity.



Investigate potential profit centers to ensure greater rewards



