

Replacement Females Marketing Alternatives and Auction Cost Calculator

There are many market alternatives for replacement females and selection of the right alternative mean higher net price. Ideally the information on the females is completed for the most demanding specialized sales so that this will never be an issue for any of the market alternatives. The female genetics and sire genetics are important as are source and age information. The written breeding system and health protocols followed is necessary. Name of the herd veterinarian and AI breeding service involved is useful. Projected caving data is a necessity. Different markets of course desire different breeds or crosses for female replacements.

Replacement Females Marketing Alternatives – A Few Options

Directly on the ranch

- Long term contract with buyers – form a win-win relationship.
- Buyers coming to the ranch – great for “weekenders” that want to choose the females to buy. Delivery costs can be negotiated.

Internet Options with Pick Up at the Ranch

- This alternative facilitates promotion and access to many buyers.

Video or On-Line Special Replacement Female Markets

Auction Markets – Traditional Market - Special Replacement Females Sales

Special Replacement Females Sales with service charges and freight paid by owner.

Marketing Cost Considerations

One large advantage of on ranch sales is that freight costs are covered by the buyer. More time is required to service the buyers and advertising expense is a reality. Direct marketing costs and commission are avoided for on-ranch sales and reduced with internet or video markets.

Given the fact that 96% of cow-calf operations have less than 200 cows there is a large market for replacement females (2012 Census of Agriculture). Serving this large market is a challenge.

Auction market special replacement female sales have the great advantage of accessing a large number of potential buyers and covering all promotion and secure payment issues. The commission and hauling or freight will account for the major marketing costs (see the list of costs below). If the female is pregnancy tested by a veterinarian before sent to the market this cost is avoided. The owner hauling or freight costs to the market is the second most important marketing cost. Review of the auction website or a call can verify the commission and other service costs. This decision aid of actual sales provides data to help choose from alternatives.

Replacement Female Auction Marketing Cost Decision Aid

The auction market decision aid facilitates the organization cost of sales information for projections and also builds a data base on actual sales. Each sale provides information that supports the selection of the best marketing option.

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The auction market decision aid has four sheets including:

1. Replacement Female Auction Market Sales Projection
2. Actual Invoice Based Auction Market Sales Results
3. Freight Cost Calculator
4. Vehicle and Trailer Cost Calculator

Invoice Examples of Auction Marketing Costs

- Commission
- Yardage
- Insurance
- Brand Inspection
- Chute Charge
- Pregnancy Test
- Beef Promotion

Owner Costs - Hired Hauling or Freight

Chute and pregnancy testing costs are when not accomplished before delivery.

Price Data for Replacement Females

Most all cattle auction price reports will have prices for replacement females. Special sales have the advantage as numbers are greater and more buyers are involved so prices are more representative by class of female replacement and provide prices by breed. AI bred females with a short breeding season are more valuable to the cow-calf producer.

There is no question that successful production for the female replacements market requires a focus on marketing. Effectively choosing the correct market and timing of sale is a major task. Direct contact with auction market managers is key sources of marketing conditions and pricing information. Sales reporting from special auction markets is very informative.

The **buy price or value of raised heifers** will largely determine the profitability of producing replacement females that has a long production cycle. In other words, the profit is often purchased. Budgets provided at the Texas A&M web site helps evaluate replacement heifer production alternatives that provided for “what if” price evaluation. This set of decision aids provides a “Replacement Heifer Purchase and Sales Record” (See B. Replacement Heifer Budgets).

<http://agecoext.tamu.edu/resources/decisionaids/beef/>

Data Entry in Decision Aids

Data is entered in each sheet. All cells in **blue** are unprotected and should have values or a zero. The example is only for illustration purpose. It is advisable to save each version by date to the name. Add notes as it helps check back on the basis for the projection.

