

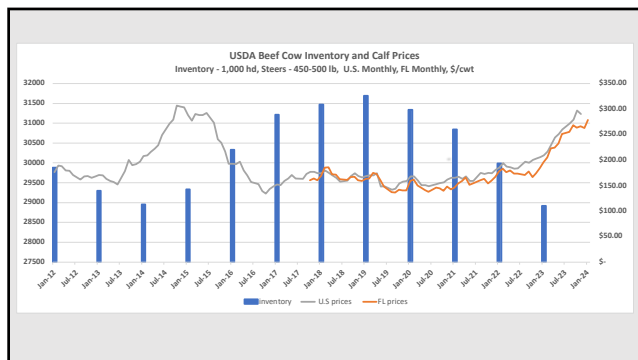


1

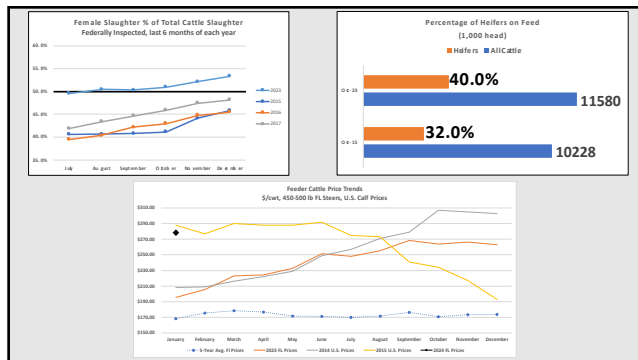
Current State of the Market

- Lowest inventory in 60 years (as of January)
- Heifer Retention & Rebuilding expected to be slower than 2014-2015
 - Higher interest rates, prolonged drought, limited forage, etc.
 - Number of heifers on feed indicates expansion is not in full swing
- Female Slaughter is the largest % of all cattle slaughter since 1975
 - Current % -> 53.4%
 - Beef cow slaughter (culling rate)-> 12.7%
 - Last expansion -> 8% culling rate
- Cattle prices projected to rise even more

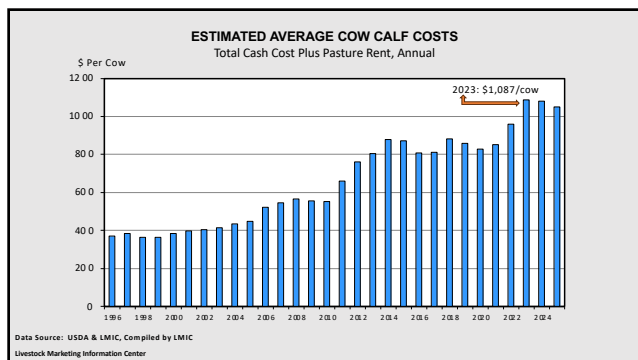
2



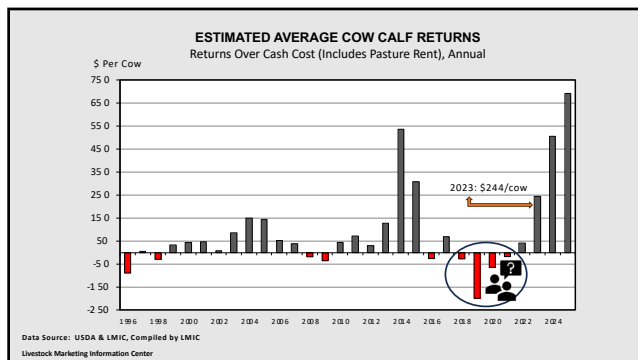
3



4



5



6

How Can We Maximize Profits?

- 1. Increase Revenue
- 2. Decrease Input Costs

❖ In an effort to do both...
Intentional
Effective Management

Something's
got to
Give...

7

Optimize -> Capitalize -> Maximize

- **Maximize** – make as great as possible
 - **Capitalize** – take the chance to gain advantage from
 - **Optimize** - make the best of; most effective/efficient use of within limitations
- ❖ How can we **maximize profits** by **capitalizing on the market** through **optimization strategies** on our operations?

...Explore
your
Limits...

8

Strategies for Optimizing

- Vaccination protocols
- Value-added programs
- Controlled breeding season
- Bull calves vs. steer calves




❖ How can **you** optimize on **your operation?**

...Little
is
Much...

9

Controlled Breeding Season

- **GOAL: uniform calf crop of heavy, healthy calves**
- Born earlier in calving season = heavier weight at weaning
- Shortening the breeding season:
 - Creates more time for calves to put on weight before weaning
 - Reduces time spent checking for calves year-round & processing them
 - Allows you to cull less productive cows
 - Potentially increases revenue when selling a more uniform lot


13

"Does it really make that big of a difference?"

Herd of 100 cows, 90% calving rate (90 calves sold)
Sell all calves in the fall (first week of October)

Group	300-345 lbs \$321.65	350-395 lbs \$306.68/cwt	400-445 lbs \$282.99/cwt	450-495 lbs \$269.78/cwt	500-545 lbs \$254.35/cwt	550-595 lbs \$246.43
Less Uniform	15	15	15	15	15	15
More Uniform	0	0	30	30	30	0

Group	Revenue
Less Uniform	\$25,228.20
More Uniform	\$53,138.25


110%

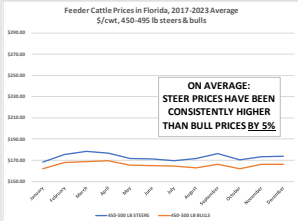
Buyers pay more for uniform lots- ~\$10 more/head
2021-2022 Superior Livestock Auction data, 2.5 million head

14

Steer calves vs. Bull Calves

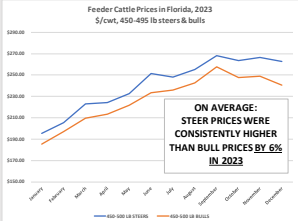
- During 2017-2023, the average discount for 450-495 lb bull calves was **\$7.52/cwt** or **\$35.72/hd**.
- In 2023, the average discount for 450 lb bull calves was **\$13.50/cwt** or **\$64.13/hd**.

Feeder Cattle Prices in Florida, 2017-2023 Average
\$/cwt, 450-495 lb steers & bulls



**ON AVERAGE:
STEER PRICES HAVE BEEN
CONSISTENTLY HIGHER
THAN BULL PRICES BY 5%**

Feeder Cattle Prices in Florida, 2023
\$/cwt, 450-495 lb steers & bulls



**ON AVERAGE:
STEER PRICES WERE
CONSISTENTLY HIGHER
THAN BULL PRICES BY 6%
IN 2023**

15

“What if my bulls weigh more at the same age?”

- Consider the price slide for entering a heavier weight class
- Average 2023 price for 450-495 lb: steer - \$241.37/cwt, bull - \$227.87

Price Slides and Value of Additional Weight, 2023 Prices			
	\$10/cwt price slide	\$15/cwt price slide	\$20/cwt price slide
Value of 475 lb bull, initial price of \$227.87/cwt	\$ 1,082.38	\$ 1,082.38	\$ 1,082.38
Value of 525 lb bull	\$ 1,170.07	\$ 1,156.94	\$ 1,143.82
Value of each additional pound	\$ 1.75	\$ 1.49	\$ 1.23
Lbs needed to add \$64.13 of value per head	37	43	52

Adapted from: Brouder, Kenny. "The Steer-Bull Price Differential: A Historical Perspective." Economic and Policy Update (21)8, Department of Agricultural Economics, University of Kentucky, August 30th, 2021.

16

“What if my bulls weigh more at the same age?”

- If I know the discount, how many pounds do I need?
- Implants – a cheap way to get bull weight without the bull

Price Slides and Value of Additional Weight, 2023 Prices			
	\$10/cwt price slide	\$15/cwt price slide	\$20/cwt price slide
Value of 475 lb bull, initial price of \$227.87/cwt	\$ 1,082.38	\$ 1,082.38	\$ 1,082.38
Value of 500 lb bull	\$ 1,126.857	\$ 1,120.60	\$ 1,114.35
Value of each additional pound	\$ 1.78	\$ 1.53	\$ 1.28
Lbs needed to add \$64.13 of value per head	36	42	50




Adapted from: Brouder, Kenny. "The Steer-Bull Price Differential: A Historical Perspective." Economic and Policy Update (21)8, Department of Agricultural Economics, University of Kentucky, August 30th, 2021.

17

Why We Care in Florida

“...once it's on the truck, it's not my problem anymore...”

- ❖ *The market is good now, but how will you take advantage of receiving a premium when the market falls?*
- ❖ *Now is the time to make changes when prices are good & there is room to make investments in your herd.*

18

Take Home Point: Marketing vs. Selling

- **Goal of Selling:**
 - selling a service or product for money
- **Goal of Marketing:**
 - "...to convince a person that your product is worth investing in, establish brand loyalty and increase overall sales."
 - "...force behind getting products to market – and keeping them there."
 - "...understanding our buyers' challenges and positioning our product as a solution to their problem."



19



20