



Managing for Today's Cattle Market and Beyond

Replacement Heifer Sales

By
Emmit L. Rawls, The University of Tennessee

The sale of commercial replacement heifers is one method of adding value to heifers which in many cases would be sold as feeders. Some producers feel that a commercial cow-calf operation should always keep its best heifers. While this is probably true, it is also possible that in many cases the next-best heifers in the herd can help other producers upgrade their herds. Heifers which are selected and prepared for sale as replacements usually command a premium over what they would bring as feeder animals. The size of the premium is affected by many factors, such as the stage of the cattle cycle and the attitude of beef producers regarding culling and herd expansion or contraction. Other factors include breed or cross, frame, muscling, disposition and EPD (Expected Progeny Difference) for factors such as birth weight, milk, weaning weight, yearling weight and carcass attributes. For bred heifers, attributes of the sire, especially ones with low birth weight EPDs, can influence value.

The cost to prepare a bred or open heifer would be similar to those for a stockering/backgrounding operation. These would vary with the region of the county. In addition, there would be costs for the required immunizations, preparatory exam and bulls/artificial insemination. The sale commission would also be higher than that usually charged for feeder cattle.

Production Plans

Plans for a sale of bred and/or open heifers should begin at least 12 to 18 months before the sale. If feeder cattle are normally sold in the fall, heifers intended for sale should be retained and grown to breeding/calving age. Producers and others considering holding a replacement heifer sale should plan the sale for a time when heifers are within no more than 7 months of calving. If open heifers are sold in the same sale, that means marketing them a few months prior to the normal breeding season. If most beef operations calve in the spring, late fall works well for bred heifers. For open heifers, a spring sale just before breeding season may be more timely.

Attention should be given to the breeds or crosses to be sold. Breeds or crosses which sell well as feeders also sell relatively well at replacement heifer sales. Even though cross-bred heifers have some superior "cow traits," some producers may want to use straight-bred heifers. The sale of registered heifers in a sale of commercial heifers is generally not recommended, since the commercial-heifer buyer is typically not in the market for registered heifers. The production plan for the heifers should include a forage-based growing program so that the heifer is in moderate flesh at sale time. Heifers which are too thin or too fat or fleshly do not command a premium price.

In selecting the sires for heifers to be sold as bred heifers, consider the factors that are economically important to the potential buyer. It is important that the heifer have a live calf with minimal calving

difficulty. Therefore, it is best to use bulls or the semen of bulls of known low birth weight EPDs. Heifers bred to bulls with no records are very likely to bring less than bulls with records of desirable traits. Heifers should have had a good immunization program based on the local veterinarian's recommendation. It is helpful if all heifers in the sale have had the same immunization program, since one buyer may purchase heifers from more than one consignor. In a well-organized sale this should be a requirement.

In addition to the sale of replacement heifers from herds of cow-calf producers, it is possible to purchase heifers which can be grown and developed for sale as bred or open replacement heifers. Some sales require that heifers sold as open be owned a minimum of 120 days, and that purchased heifers sold as bred be owned at the time of breeding or 120 days prior to sale, whichever is longer. Be sure to purchase heifers which are in demand by cow-calf operators. Otherwise, management should be the same as heifers raised for sale. Since purchased heifers have greater genetic variability, sale prices will likely be somewhat less than those for raised heifers.

Requirements For Consignment

Plans for the sale should be made at least 12 to 18 months before the sale itself. Eligibility for selling heifers in the sale should be agreed upon by the steering committee of the group or organization conducting the sale. The more strict these requirements, the smaller the initial participation. The requirements should be publicized well ahead of consignment dates. These requirements may include some or all of the following:

1. Number of head - minimum or maximum
2. Minimum days of ownership
3. Vaccination requirements
4. Parasite control
5. Surgery - dehorning
6. Implants or use of MA
7. On-farm inspection by independent third party - size, frame, muscling, flesh
8. Reproductive traits - pelvic size, reproductive tract score, open or stage of pregnancy (months)
9. Guarantees regarding whether heifers are open or bred
10. Weight or body - condition scores (minimums)
11. Blemishes (pinkeye)
12. Temperament
13. Sire requirements - EPDs, etc.

14. Certification - ear tags, health certificates, etc.

Persons or organizations interested in holding replacement heifer sales should contact their County/State Cooperative Extension Service for details or recommendations on possible requirements.

Sale Management

Arrangements should be made for the location of the sale. Auction markets are suitable, if an effort is made to have them cleaned up following the regular sale day, with suitable bedding placed in the pens. Other sales facilities similar to those used for purebred sales work well, but some type of handling facilities may be needed.

A sales agreement is needed between the facility management and the sponsoring organization to avoid disagreements later. The agreement should include which parties are responsible for each aspect of the sale. Items for consideration include advertising, labor to move cattle into and out of the facility, liability for damages to personnel or cattle, auctioneer, commission charges for handling the sale and commission to be charged the consignors, collection and distribution of sale proceeds, and feed and care for the cattle overnight or until all cattle are loaded.

A decision should be made regarding the committee responsible for grouping the heifers for sale and the method of establishing the order of sale. Market management can often be helpful in working up the sale order and grouping heifers for sale. The sale should be started with heifers which are above average quality. Occasionally, if the market management has heifers in the sale, they may be willing to offer a group of their heifers to start the sale as a gesture of goodwill. After that, the sale order may be determined by a random drawing of consignors. Once each consignor has had a chance to sell, the rotation begins again. Depending on lot size, each consignor has a chance to sell heifers at various times during the sale. If there are fewer open heifers than bred heifers, they may be offered in the middle of the sale or after the bred heifers. Commingling of heifers should only be done with consignor's permission. If the association or sponsoring association can provide assistance in moving heifers during the receiving, sales and loading process, it can reduce the cost of marketing to the consignors. The number of workers agreed upon and the times they will work can help prevent misunderstandings with the barn management. Responsibility for printing the sale and other

materials essential for the sale should be established well ahead of the sale date.

Guarantees

Most sale of bred and/or open heifers have guarantees as to the heifers being bred or open. Such guarantees should be specific. For example, if open heifers are found by veterinary exam to be bred within 30 days of sale, or if bred heifers are found by veterinary exam to be open within 30 days of sale, a financial settlement should be made by the seller. This may range from \$40 to \$100 per head or may be negotiable. Of course, all heifers should be pregnancy-tested within 30 days prior to sale.

Sales Follow-Up

Sales of open or bred heifers can sometimes result in dissatisfied customers if an open heifer is found to be bred or a bred heifer is found to be open. Ideally, sale requirements and guidelines will allow a means for the resolution of problems and complaints. In addition, the sponsoring organization may wish to solicit comments from buyers, so that improvements to the sale, if needed, may be considered for the future.

References

Tennessee Cattlemen's Association
610 West College Street, Suite 204
Murfreesboro, Tennessee 37130

Upper Cumberland Replacement Heifer Sale
District IV Extension Office
390 S. Lowe Ave, Fountain Court, Suite 9
Cookeville, Tennessee 38501-3567

"The Kentucky Certified Replacement Heifer Program"
D.J. Patterson and K.D. Bullock
University of Kentucky Animal Science Department
Lexington, Kentucky 40546-0215