



**Tri County Steer Carcass Futurity**  
**53020 Hitchcock Avenue**  
**Lewis, IA 51544**  
**Phone: 712-769-2600 Fax: 712-769-2610**  
**www.tcscf.com**

May 3, 2008

Dear TCSCF Consignors,

Enclosed are final reports for your MS SC S&B OCTOBER 2007 steers and heifers fed at Brian Bentley's Feedlot. Averages on 5,402 TCSCF steers fed last year will be in parentheses by the averages for your steers. Averages on 1,925 TCSCF heifers fed last year will be in parentheses by the averages for your heifers. The overall average daily gain for the steers was 2.85 (3.19). The feed to gain for the steers was 7.37 (6.97). The overall average daily gain for the heifers was 2.61 (2.91). The feed to gain for the heifers was 7.58 (7.13). The cattle were 34% (58%) yield grade (YG) 1 & 2's and 56% (61%) low Choice or better. With industry goals set at 70% YG 1 & 2's and 70% low Choice or better, this group missed both the YG goal and the quality grade goal. The steers were 34% YG 1&2's and the heifers were 33% YG 1&2's. The steers were 49% Choice and the heifers were 64% Choice. Heifers are usually 10% greater percent Choice.

85% (80%) of the cattle were black hided and 15% (10%) of the black-hided cattle were Certified Angus Beef (national average is 4% CAB). Cattle receiving the age and source verified (AV) premiums did not receive a CAB premium. If you see a "NA" in the CAB column, it means your calf would have received a CAB premium if it had not been sold on the AV market. The group was marketed with .50 (.44) inches of fat cover, which is slightly higher than our target of .40 to .45 inches of fat cover. The current industry average is .52 inches of fat cover and the current national average is 60.20% Choice or better for the week ending April 12th. There were nine carcasses stamped YG 4 or 5 by the USDA grader. The national average is 7.52% YG 4 and 5's for the week ending April 12th.

The average age at harvest was 514 (476) days or 17.1 (15.9) months. The range in age was from 414 to 913 days of age at harvest, a difference of 499 days or 16.63 months in age from the youngest to the oldest. The average weight per day of age was 2.32 lbs (2.61).

**What is the difference in quality grade between TCSCF fed cattle and other cattle at the same fat cover?**

The table below compares quality grades and yield grade 4's and 5's between TCSCF carcasses (n=9,114 head) with carcasses from the CAB summary (n=140,000 head) at different fat covers. The dollar advantages are based on \$7.00/cwt. premium for CAB, \$12.00/cwt. for non Choice carcasses and yield grade 4 & 5 discount of \$15.00/cwt. for a 750 lb. carcass, which are the averages for 2006 to date.

<b>Fat Cover</b>	<b>.30 to .39</b>	<b>.40 to .49</b>	<b>.50 to .59</b>	<b>.60 to .69</b>	<b>&lt; .70</b>
% low Choice or better for TCSCF carcasses	66.4%	79.0%	85.2%	89.6%	93.2%
% low Choice or better for CAB carcasses	50.4%	60.1%	69.2%	73.6%	75.4%
% advantage for TCSCF carcasses	16.0%	18.9%	14.0%	16.0%	17.8%
<b>Dollar advantage for TCSCF carcasses</b>	<b>\$14.40</b>	<b>\$17.05</b>	<b>\$14.36</b>	<b>\$14.44</b>	<b>\$16.02</b>
% CAB for TCSCF carcasses	16.8%	26.4%	35.1%	40.5%	32.4%
% CAB for CAB carcasses	9.0%	13.2%	17.7%	22.0%	21.4%

% advantage for TCSCF carcasses	7.8%	13.2%	17.4%	18.5%	11.0%
<b>Dollar advantage for TCSCF fed carcasses</b>	<b>\$4.11</b>	<b>\$6.94</b>	<b>\$9.15</b>	<b>\$9.69</b>	<b>\$5.76</b>
% yield grade 4 & 5's TCSCF carcasses	0.0%	0.0%	0.3%	3.8%	30.8%
% yield grade 4 & 5's CAB carcasses	0.3%	0.7%	0.2%	5.6%	18.8%
<b>Dollar advantage for TCSCF fed carcasses</b>	<b>\$0.34</b>	<b>\$0.79</b>	<b>-\$0.06</b>	<b>\$2.08</b>	<b>-\$13.47</b>
<b>Total dollar advantage for TCSCF fed carcasses</b>	<b>\$18.84</b>	<b>\$24.78</b>	<b>\$23.45</b>	<b>\$26.21</b>	<b>\$8.32</b>

**The bottom line – doing all of the small details will result in a positive and additive impact on the quality grade of your cattle which adds dollars to your pocket.**

There were 33 head, or 23.7%, with average disposition scores of 3.0 or higher. TCSCF research data shows a loss of \$62 /head for cattle with disposition scores of 3.0 or higher. There were six carcasses with lung adhesions. TCSCF data shows average daily gain reduced by .35 to .50 lbs. per day for cattle with lung adhesions. There were three carcasses with trim loss. Our data collection crew records an estimate of trim loss but cannot determine the cause – bruise, fecal contamination, abscess, etc. I have added a new defect - bad eyes - to the defect column. Recent research at Iowa State University shows a 34 lb. reduction in weaning weight in calves with bad eyes. During the feedlot phase the calves fall another 34 lbs. behind their contemporaries that have normal eyes. Their estimate of heritability is .18. There were no calves with bad eyes in this group. There were no calves with horns. There was one heifer that was pregnant and we lost her during delivery.

The feed cost of gain for all cattle was \$61.95/cwt. of gain. The total cost of gain averaged \$81.31/cwt. of gain for all cattle. Average profit was -\$16.91/head after all expenses including the expenses of two calves that died.

12.9% of the cattle were individually treated. The average cost of individual health treatments for all cattle was \$5.88/head or an additional \$1.14/cwt. of gain for all the cattle. A preventative health program using modified live vaccines (MLV) and handling the MLV vaccines properly pays dividends.

In a white paper on the “Declining Quality Grades: A Review of Factors Reducing Marbling Deposition in Beef Cattle,” several key points are relevant to the TCSCF program. From 1999 to 2004 death loss in feedlot cattle has risen. The Vetlife Benchmark Program had a .75% increase, the National Animal Health Survey had a .30% increase in the past three years and the TCSCF program has seen an increase of .29% (.75% to 1.04%) over the past four years. From the Vetlife Benchmark Program, average vet cost/head for heifers is \$15/head and steers \$13.60/head, which are \$2/head increases since 1999. In the industry, we have better vaccines and microbials but health pulls and death losses have increased, premiums and discounts are increasing for higher quality beef and the percent choice has declined from 93.6% in 1986 to 57.2% in 2005. Our entire industry has a problem.

The first table is a three year summary of 13,321 head.

Table 1. Summary of TCSCF Health Data 13,321 Head

Item	No Treat	Single Treat	2 or More Treat
No of Cattle	10,987	1,440	894
% of total	82%	11%	7%
Overall ADG	3.19	3.01	2.93
Death Loss	0.05%	3.07%	9.95%
% YG 1&2	57%	68%	73%
% Choice or Better	74%	65%	58%
Total Difference \$ per head	Base	\$-85.02	\$-201.16

The projected feed cost of gain was \$52.81 of gain with a feed to gain of 6.73 and a feed cost per ton of dry matter of \$157.04. The actual feed cost per ton of dry matter was \$165.98. I projected the price of corn at \$3.45 /bu. and the actual cost per bushel was \$4.51. The total cost of gain was projected at \$66.35/cwt. I projected the average daily gain to be 3.38 and the actual was 2.74. The actual cost of gain was \$16.18/cwt higher than the projected because of the lower average daily gain and the higher feed to gain. The price of corn was also higher. The projected market price at delivery was \$102.62 compared to \$91.97 received.

As always, the value of your calves coming into a TCSCF feedlot has a big impact on the profit. The beginning value was based on the MS and SC USDA Market Report for the week ending. Iowa consignors deduct 3% of the price reported to cover sale expenses. Regardless of the value placed on the cattle in October, they were actually worth an average of \$92.18/cwt.

I have received questions concerning feeding cattle in the High Plains lots vs. SW Iowa, which are valid and relevant. The Kansas State University Extension report 'Kansas Feedlot Performance and Feed Cost Summary' summarizes cattle marketed during March of 2008 from nine Kansas feedlots.

#### Steer Comparison

Item	MS SC S&B OCTOBER 07 Steers	Kansas Feedlot Summary March 2008 Steer Averages	Kansas Feedlot Summary March 2008, Ranges
No of Steers	74	21,370	
Delivery Weight, lb.	663	733	Not Available
Days on Feed	193	177	145 – 252
Final Weight, lb.	1,210	1,294	Not Available
Overall ADG, lb.	2.85	3.17	2.58 – 3.63
Feed to Gain	7.37	6.21	5.60 – 6.78
Death Loss %	1.35%	1.97%	Not Available
Average Cost of Gain, \$/cwt	\$79.57	\$78.58	\$70.55 -\$90.03
Cost of Corn \$ per bushel	\$4.51	\$5.18	
Difference per \$/cwt of gain	-\$0.99		
Difference per \$/Head	-\$5.42		

#### Heifer Comparison

Item	MS SC S&B OCTOBER 07 HEIFERS	Kansas Feedlot Summary March 2008 Heifers Averages	Kansas Feedlot Summary March 2008, Ranges
No of Heifers	65	29,866	
IA Delivery Weight, lb.	649	719	Not Available
Days on Feed	185	163	138 – 245
Final Weight, lb.	1131	1,226	Not Available
Overall ADG, lb.	2.61	3.11	2.53 – 3.51

Feed to Gain	7.58	6.42	6.05 – 6.87
Death Loss %	1.54%	1.43%	Not Available
Average Cost of Gain, \$/cwt	\$83.30	\$81.20	\$77.19 -\$86.72
Cost of Corn \$ per bushel	\$4.51	\$5.18	
Difference per \$/cwt of gain	-\$2.10		
Difference per \$/Head	-\$10.12		

Some of the cheapest corn in the United States is in western Iowa and 69% of the cost of finishing cattle is feed. This is the 36<sup>th</sup> time out of 229 closeouts that the average of the Kansas Feedlot Summary has been lower than ours.

Enclosed is a sheet entitled *Grid Prices for TCSCF Steer and Heifer Carcasses*. The column titled *Group 1* is the price paid for steers and heifers harvested March 20. The column titled *Group 2* is the price paid for the steers and heifers harvested April 24. The column titled *Weighted Average Carcass* is a standardized price used for ranking the steers and heifers on retail value per day on feed and retail value per day of age. Standardizing the price removes the effect of harvest dates in the evaluation of the steers and heifers.

Please be sure to endorse your check properly. Failure to do so may cause our bank to return your check for improper endorsement, causing a delay of about a week in you receiving your money. They do this for the protection of us all.

Please contact either of us with any questions or concerns. If you would like to visit, we are available. If one of us is not in the office, please leave a message and we will get back to you as soon as possible.

Darrell Busby  
ISU Extension Field Specialist/Livestock

John Woltmann  
TCSCF Manager

Cc: TCSCF Board  
TCSCF Feedlots

Encl.