

KEYS TO A SUCCESSFUL STOCKER OPERATION



“Stocker grazing” or “backgrounding” is the phase of cattle production between the weaned calf phase and the yearling feeder ready to enter the finishing feedlot. Most cattle weighing 600 to 800 pounds are placed in feedlots to be finished for slaughter. Since most calves are weaned at 7 to 10 months of age and weigh 400 to 550 pounds, many Arkansas cattle producers should consider a stocker program.

There are several stocker systems. Because most calves in Arkansas are born in the spring and weaned in the fall, grazing is usually done on a winter pasture of small grains. A farmer could buy calves in the fall and sell them in late spring when the winter pasture is grazed out. Sometimes, especially when starting with very light calves in the fall or if winter pasture has been poor, the winter grazing period is followed by grazing the next summer on permanent pasture and selling heavy feeders in the fall. Often Arkansas cattle producers combine a stocker program with their cow-calf operation.

Backgrounding seems to best fit the cattle producer who (1) has good-quality forages available, (2) has some extra labor at certain times of the year to work with cattle and (3) wants more flexibility in the cattle operation.

Buying and Selling

Buying and selling is very important in a stocker program. Consider the kind and weight of calf to buy in relation to the feeding system and time of year. Look for healthy, thin- to moderate-fleshed calves that will gain weight efficiently. Calves should be of a breed, grade and type that is desirable to feedlot operators.

Lightweight calves have the potential to put on more pounds before they are ready to enter the feedlot. They require, however, a high-quality forage and extra care to limit death loss especially during extreme weather conditions. Heavier calves can utilize a lower quality roughage such as ensilage or fescue pasture and do not require as much care to reduce sickness and death loss.

Some calves are lightweight and thin-fleshed because they are unhealthy. Others are just not capable of fast weight gains. Neither of these types is going to do very well in a backgrounding program.

Some calves, however, are thin-fleshed and lightweight because their mothers were poor milkers, pasture was short and, in general, the calves did not get enough feed to grow. These calves perform best in a backgrounding operation. Regardless of weight, a fat, bloomy calf will usually lose weight when placed on forage or a high-roughage ration and must be purchased at a price much lower than thin calves to realize the same profit potential.

Steers, heifers or bull calves may be used successfully. Compared to steers, heifers usually gain less and cost more per pound of gain. They will also sell for less than steers at the end of the backgrounding period. Bull calves must be castrated, and the stress from castration will limit gain and increase the possibility of death loss compared to steers. The differences in performance between steers, heifers and bulls must be considered in the purchase price.

Calves to be sold and shipped together should be uniform in weight and grade when going on the backgrounding program. This will permit more uniform weight and grade at the end of the backgrounding period and aid in marketing.

Buying calves in the spring to graze in the summer generally means buying when the market prices are highest and selling when the market is lowest. But this difference is usually offset by a lower cost of gain in the summer.

Buying calves in the fall and selling in the spring means buying when supplies are most plentiful and prices are usually lower and selling when prices are higher. But, costs will be higher in the adverse winter weather. Be sure to consider all these things in a backgrounding program.

Feeding Depends on Your System

The feed supply used for backgrounding calves depends on the time of year and the kind of backgrounding done. Provide the calves sufficient feed to make maximum growth without fattening. Buyers do not want calves too fat at the end of the backgrounding period. Calves should gain an average of 1.25 to 1.75 pounds per day to be profitable. Average daily gains of 2 pounds per day are possible with the proper kind of cattle and abundant high-quality forage, but such gains usually require

some supplemental grain feeding. Average daily gains greater than 2 pounds per day for the full backgrounding period adversely affect feedlot performance for the buyer and are not desirable.

Winter Grazing

Young calves that have just been weaned in the fall require high-quality forage for adequate growth. Small-grain pasture, ryegrass and winter legumes are high-quality forages. Usually, small grains such as wheat or rye are grown with ryegrass to supply the most forage uniformly distributed through the winter grazing season.

Fescue provides a good, permanent winter pasture for backgrounding but is relatively low quality and must be supplemented with grain for calves to make adequate growth. Also, larger, older calves or short yearlings do better on fescue than young, lightweight calves.

Pasture gains for winter grazing are best in the fall and spring but decline during the winter. The rate of gain during January and February may be very small due to adverse weather and limited feed supply. Slow gains during this time should not be of great concern because calves will compensate by gaining much more rapidly when abundant grazing is available in the spring. However, sufficient feed should be available during the winter months to keep the calf healthy. Hay or grain will often need to be fed.

Many hay and grain combinations will produce the results you want. Research has shown that cattle on pasture make more efficient use of grain when intake is limited. Check with your local county Extension office to determine the proper supplemental feed.

Summer Grazing

Summer grazing works best in the mountainous higher altitudes of north and west Arkansas but may be successful in the southern part of the state if internal and external parasites are well controlled. Pasture gains decline during the hot, humid months of July and August in south and east Arkansas.

Summer grazing of calves in Arkansas is usually done on bermuda or bahiagrass pasture mixed with clover. Clover is a valuable addition to all pastures for improved quality. Quality of pasture is especially important in backgrounding young calves.

Be Alert to Disease

Death loss can mean the difference between profit and loss in a stocker program and is a major problem with newly purchased calves. Calves have usually just been weaned and are under additional stress from being moved. They are particularly susceptible to disease at that time. Isolate new calves that have arrived from any other cattle on the farm. Provide good-quality hay, salt and plenty of fresh water in an area as free of dust as possible. Upon arrival, but after a period to rest the calves, you should (1) castrate bull calves, (2) dehorn if needed, (3) vaccinate for IBR, (4) vaccinate for blackleg, (5) treat for lice and (6) treat for worms. See "Herd Health" for suggested immunization schedule.

The above practices can all be done at one time. Consult your county Extension agent or local veterinarian for recommendations on treating new feeder calves.

Most of the disease problems will probably show up the first three weeks after arrival. Look at the calves several times a day. Watch the calves that fail to eat, appear tired, cough, show droopy head and ears or show any other signs of illness. Treating calves before they get real sick is important. If possible, keep calves in a small pasture so they can be watched closely for the first month.

Rough summer haircoat, poor gains and animals continually standing in shade or water may suggest that fescue pastures are infected with an endophyte fungus that associates with poor animal health. Overseeding a pure fescue pasture with clover, ryegrass or small grain will help improve animal performance. Feeding a supplemental grain will also be useful in the short run.

Implant Calves for Greater Gain

Ralgro, Synovex or other implants can be given to calves to increase the rate of gain. Research shows that you can expect 20 to 25 pounds of extra pasture gain during the normal grazing season by using the implants. Proper application is important to prevent side effects that are objectionable in the market. You may want to get more information from your local county Extension agent concerning the use of implants.

Feeding Protein While on Pasture

Research shows it is questionable if protein supplement is profitable for cattle grazing on small-grain pasture, grass-legume pasture, grasses fertilized with nitrogen or grasses in early stage of growth. Protein supplementation may be worthwhile when pasture growth is poor quality because of advanced maturity or drought.

Handling the Calves

Excess handling of calves during the grazing period can be detrimental to the most efficient gains. As long as the calves are healthy and treatment to prevent disease or adverse buildup of internal and external parasites is not necessary, calves should be allowed to graze contentedly.

Stocking Rate

Calves weighing 400 pounds can be stocked on winter small-grain pasture at a rate of 1.5 animals per acre in most areas of Arkansas where small grains are grown. This stocking rate will often be too heavy during periods of slow growth such as January and February. Some supplemental feeding of hay will be required. On the other hand, excess pasture will often be available in the spring for more calves or cutting for hay.

Calves weighing 400 pounds can be stocked at a rate of two or more per acre for summer grazing on pasture with moderate fertilization, but grass may run short during extended periods of drought.

Estimating How Much You Can Pay for Calves

Knowing costs and potential income are important in making backgrounding management decisions. A very difficult part of estimating the profit in a stocker program is in knowing the potential selling price. Normally, the selling price will be lower than the purchase price because heavier cattle are being sold. The big question is how much less the heavier cattle can bring and still make money. Avoid large price differences that will lose money, if possible, by keeping informed about the supply and demand situation for feeder cattle and slaughter cattle. Your county Extension agent can supply you with this information.

Tables 18 and 19 are examples of costs and returns for typical stocker or backgrounding programs. The examples figure a break-even price or a price necessary to pay production costs.

Two factors should be taken into consideration in addition to the costs listed when backgrounding calves from your own herd. First, since there will be no cash income from the herd in the fall, interest and principal payments on borrowed money must be considered. Second, because income will not be coming until the next year, income tax should be considered. Backgrounding one year and not the next could put two years of cattle income in one year.

TABLE 18. Calf Wintered on Small-Grain Pasture

Description: Graze 210 days with 315 lbs gain. Average daily gain of 1.50 lbs. Purchased or weaned Sept. 15 and sold around April 15.	
Expenses:	Per Head
Purchase cost (350 lb steer @ 96¢/lb)	\$336.00
Small-grain pasture	43.69
Grain and protein supplement	17.70
Hay	29.65
Salt and minerals	4.90
Veterinarian and medicine	10.30
Death loss (3% of purchase value)	10.83
Buying and selling cost	10.67
Miscellaneous	5.00
Total Cash Costs*	\$468.74
Price/cwt you must receive to cover the above costs when selling at 665 lbs (total cash costs divided by selling weight)	\$70.50
*Does not include labor or interest.	

TABLE 19. Calf Wintered on Permanent Pasture

Description: Graze 210 days with 315 lbs gain. Average daily gain of 1.5 lbs. Purchased around October 1 and sold around June 15.	
Expenses:	Per Head
Purchase cost (450 lb short yearling steer @ 85¢/lb)	\$382.50
Pasture cost	30.08
Grain and protein supplement	30.35
Grass hay	38.18
Salt and minerals	5.60
Veterinarian and medicine	8.74
Death loss (2% of purchase value)	12.23
Buying and selling cost	18.31
Miscellaneous	6.00
Total Cash Costs*	\$531.99
Price/cwt you must receive to cover the above costs when selling at 765 lbs (total cash costs divided by selling weight)	\$69.54
*Does not include labor or interest.	