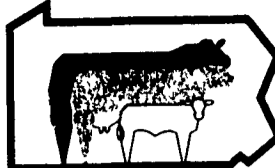


# Pennsylvania



## Beef Council

### Regional Center for Dairy Beef Quality Assurance

SERVING THROUGH EDUCATION, PROMOTION & RESEARCH

#### CULLING DECISIONS DETERMINE BEEF VALUE AND DAIRY PROFITS

MIDDLETOWN (Dauphin Co.) — To *cull* is "to select, to pick out; to gather," according to Webster's Dictionary. To *market* is to produce something "suitable for selling."

In the real world, dairy culling decisions are not often defined in this way because the compelling forces have historically been milk price, stall availability, and the cost and availability of replacement animals. Thus, culling is mostly viewed negatively as a cost, and the animal removed as salvage with little value.

Nothing could be farther from the truth. Much of the beef from cull cows is processed into ground beef, representing 43 percent of all beef consumed in this country. But, there's more. Today, about half of the beef from dairy cull cows is processed and merchandised as whole muscle cuts for such food favorites as fajitas, Philly steaks, deli and fast-food roast beef, even marinated steaks.

#### Quality Breeds Opportunity

The dairy industry is beginning to sense that these decisions are not just about making milk anymore. The way dairies approach their culling and replacement decisions is rapidly becoming a human health issue, in both perception and reality. Good dairy managers recognize the same management and

culling practices which assure beef quality, also demonstrate dairy profitability.

When milk prices fall, producers tend to take a tougher look at their cow employees. When milk prices are higher, a compelling force is removed, and the tendency is to put off the voluntary culling decisions, sending mostly "forced" removals to market. By then, they've lost substantial value to the beef industry, erased management and profit opportunities for the producer and posed a risk to consumer confidence.

#### Safeguard Dairy Image

Researchers across the country are seeking ways to help dairy farmers recognize what kind of cows they're sending into the food system and the substantial economic benefits to be gained from paying attention to this essential area of herd management.

Expansion competition for limited replacements and the flexibility of modern dairy systems add to the prevalence of "forced" culls on the market.

As physical constraints like facility space become less compelling, the broader public and environmental factors of keeping the marginal dairy cow become more compelling. The low-milk or disease-compromised cow loses carcass value daily as she either becomes too fat, too thin, or more lame.

The decision to keep or cull that animal may well include

specifically assessing her environmental cost to the land-limited operation, or in general, the public image her deteriorated market condition conveys about the dairy industry.

#### Recognize Profitable Culling

Culling and replacement of dairy animals accounts for 20 to 25 percent of the operating costs of a dairy, second only to feed costs. A comprehensive, timely approach to culling which results in more voluntary decisions and fewer "forced" removals, has been shown to increase net returns per cow for the entire dairy herd.

"There is more awareness of this aspect of dairy management as profit margins decline and dairy economics tighten," said Dr. David Gallagan, associate professor of animal health economics at the University of Pennsylvania's New Bolton Center. Along with researchers at Cornell University and the University of Florida, Gallagan is studying the dimensions of culling, and testing model approaches developed in Holland to define the cow that should be removed, and when.

"Culling is a complex decision, and we often do not recognize profitable culling. The gray zone cow in a milking herd can be as costly as any subclinical disease," Gallagan said. "Every day, a cow faces that decision, and every day, the producer intentionally or non-intentionally makes that decision. We want to step back and look at this as a new disease — the failure to make the right decision to maintain the right combination of cows in production."

When milk price, facilities, and replacements are the only compelling forces driving voluntary culling decisions, the decisions aren't made at the best time and beef values as well as dairy profits suffer. Researchers

suggest this is largely because "we look at her production as milk only, not beef."

This mindset creates other economic and consumer confidence losses — from the valuable meat that is thrown away due to damages from improper injection sites, bruising and inflammation, to the human health and safety concerns from extra label use of some medications not approved for meat animals. Dairy animals eventually do become meat animals.

#### Pursue the Economic Opportunities

Quality defects have a pervasive negative effect on the price that beef processors can afford to pay for cows. According to the 1994 Non-Fed Beef Quality Audit conducted by the National Cattlemen's Beef Association, producers lose about \$70 on every herd cull they sell because the packer's purchasing power is diminished by the amount of wasted meat, condemned carcasses and poor carcass quality they lose money on every single day.

Approximately three percent of all cows are condemned by the USDA at the packing plant. Among emaciated and disabled cows, 40 percent are condemned. These losses can be prevented by culling animals with health conditions as soon as possible.

#### Make the Tough Decisions Early

It's difficult to remove the emotional aspects which underlay these culling decisions; however, producers and their veterinarians need to consider the dairy cow's final destination when making choices about her treatment.

"Marketing those cows before that certain loss of body weight is important, but it means you're making the decision before you've given up hope on her. That's emotionally hard," said Glenn Pugh, whose 50-cow dairy is located in Pennsylvania's Cumberland Valley. For him, the biggest challenge was learning to separate the emotions from the dollars and cents.

"If I have a cow that shows a good chance of not being able to return to sound health, I'll sell her instead of medicating her. With 50 cows, if I have two problem cows, and I sell them, it gives me more time to focus my energies on the herd as a whole," Pugh explained, adding that he

has seen his herd respond to a more voluntary and timely culling approach.

He credits his grade and yield sales to the packer for giving him a real understanding of what he's selling. "These things were probably evident before, but I wasn't paying attention. The education here has brought it into focus and forced me to pay attention."

#### Pay Attention To Condition

Selling the marginal cow before she becomes too thin benefits the dairy producer, the beef packer and the consumer. Cows in the 2.5 to 3.0 body condition score (BCS) range are most profitable in terms of carcass yield and percentage of fat. Plus, as cows become thinner and drop below 2.5, they become weaker, and are more likely to become downer cows during transit.

Herd studies indicate that a high percentage of cows are marketed in early lactation, many of them disease-compromised "forced" removals. According to the Non-Fed Beef Quality Audit, nearly five percent of all cull cows were in serious negative energy balance and had insufficient condition scores of 1. These extremes can be prevented.

Just as sound nutritional management practices improve the overall health and performance of the milking animal, they also improve her value as a beef animal. The tough, but critical part, is making the voluntary decision before body condition deteriorates.

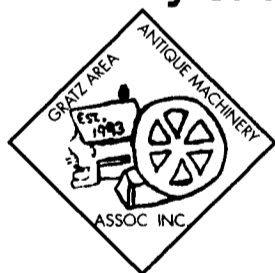
#### Double the Benefits, Not the Losses

From the beef value side timely culling practices increase producer revenues in two ways — by weight (pounds) and by value (per pound). Better body condition puts that animal into a more highly valued beef processing class. The double benefit can pencil out to a difference of \$144 in retained value between the timely decision and the "forced" removal 30 days later, according to Cornell University researcher Dr. Donald Line.

Think of it this way. That \$144 difference in beef value based on condition alone is equivalent to 1,100 pounds of \$13 milk. Now include the cost to keep her milking, and she would have to make 60 pounds a day to offset the beef value loss.

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