

Managing for Carcass Value in the Current Price Environment

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Current price environment

- Cattle are worth a lot of money
 - Fed cattle, feeder cattle, cows
- Beef is worth a lot of money
- Quality is worth a lot of money, but...
- Feed is worth a typical amount of money
- Labor is worth a lot of money
- Pickups, health care, etc. are worth a lot of money
- Money is worth a lot of money



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Today's topics:

- How cattle grow
 - Changes at the end of the feeding period
 - Understand the biology to manage the business

- Managing for carcass value and maximum profitability
 - New terminology
 - Incremental revenue
 - Incremental COG
 - What really drives value?



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The easiest quiz ever



Is this a
feeder
steer or a
fed steer?

How do
you know?







The fed steer is more than 2X
as heavy as the feeder.

Is he 2X as tall?
As long? As wide?

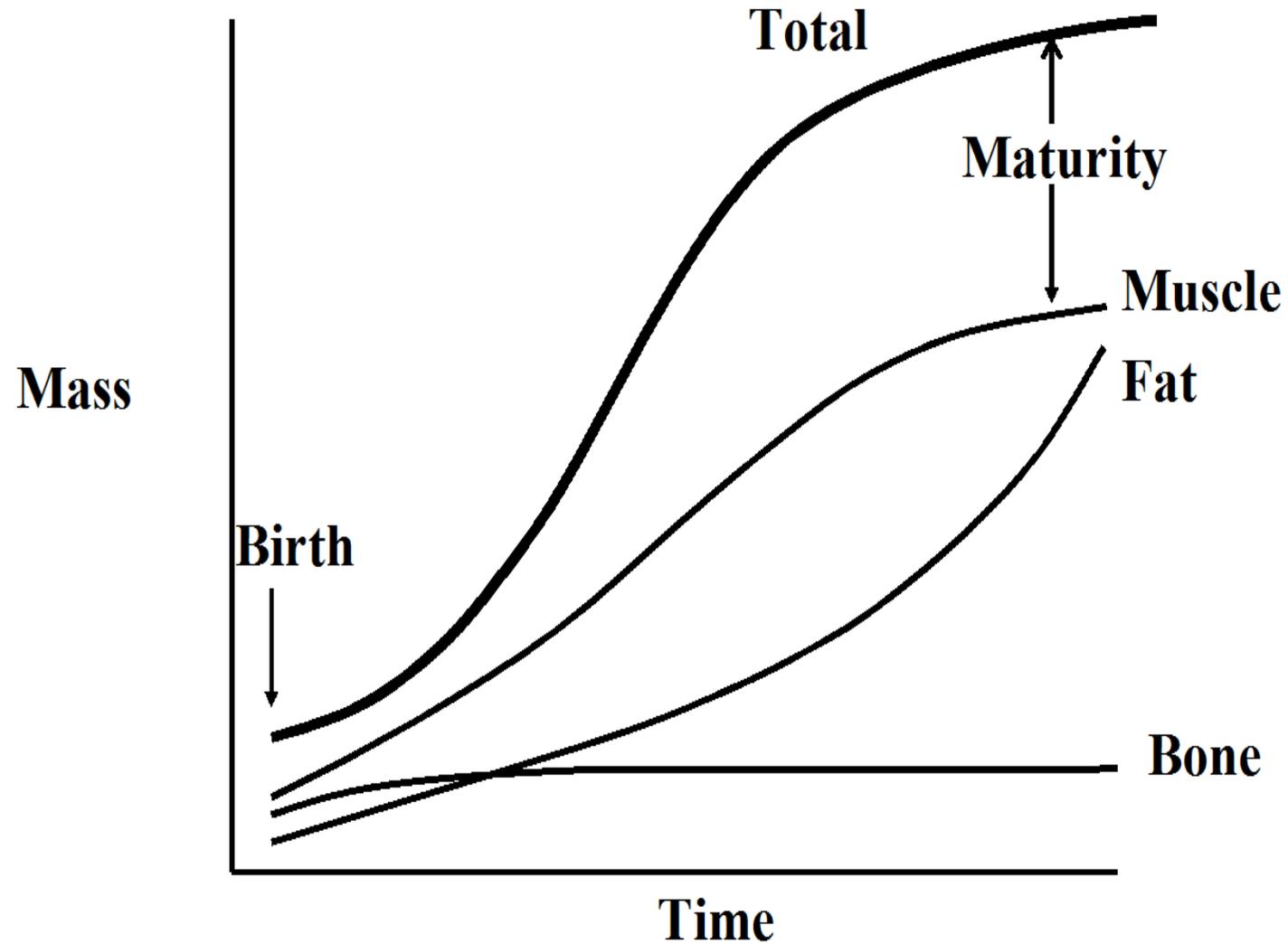


Growth

- An adult is not just a larger version of a baby.
- A fed steer or heifer is not just a larger version of a feeder.
- Growth is a process, like reproduction, healing, respiration, digestion, etc.
- Understanding that process is critical to efficient feeding and managing for carcass value.

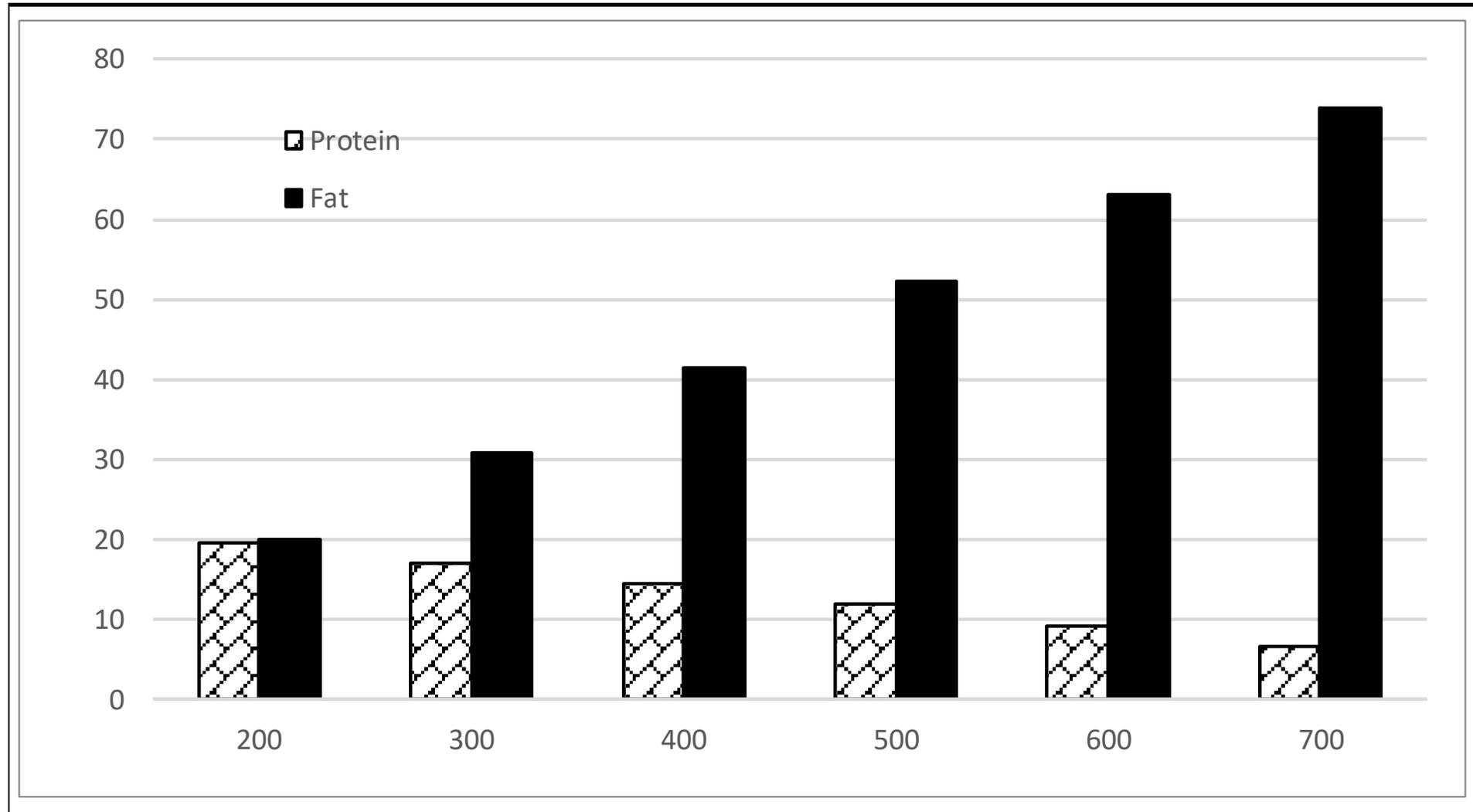


Figure 1. Normal postnatal growth curves of bone, muscle, and fat.



Protein and fat gain per 100 kg of body weight gain

Adapted from Simpendorfer (1974)



Changes that affect live performance:

- Feed consumption increases, plateaus and eventually may decrease
- Feed required for maintenance increases
- Energy content of gain increases
- Live weight gain slows
- Feed conversion (to live weight) becomes poorer



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Changes that affect carcass value:

- Dressing percentage increases
- Percentage of bone decreases
- Muscle weight increases, muscle percentage decreases
- Quantity and percentage of carcass fat increase
- Carcass weight gain, as a percentage of live weight gain, increases
- Marbling increases

All of these changes are related but they don't all happen at the same time or at the same pace.



Growth

- Most growth of non-carcass tissues occurs before cattle get to the feedyard
 - Nervous system
 - Bone
 - Digestive tract (sort of)
- In the feedyard, most growth is in carcass tissues
 - Muscle
 - Fat

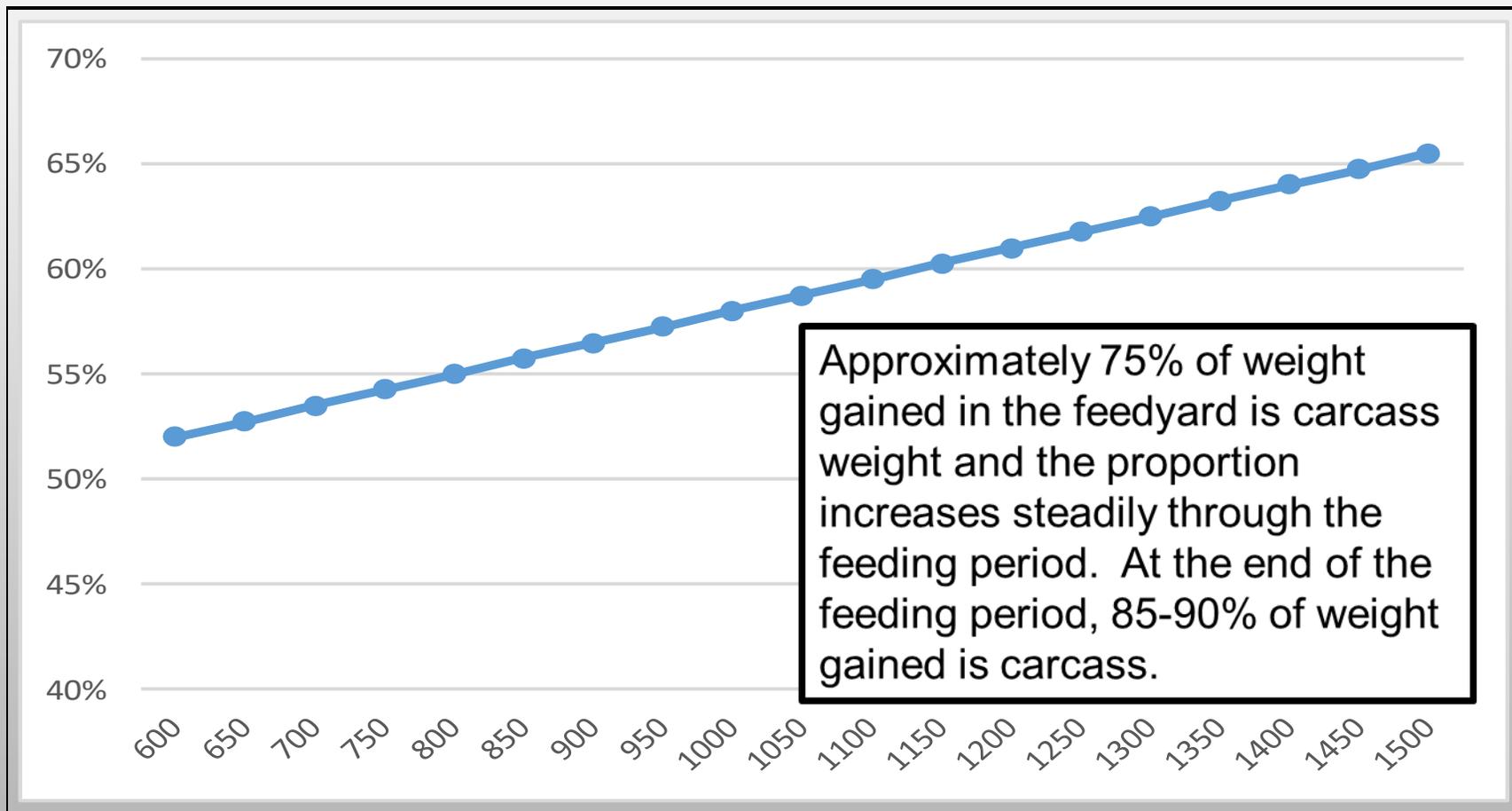


Dressing percentage increases

Carcass weight is growing faster than non-carcass weight

An increasing proportion of live weight is in the carcass

Typical dressing percentage by weight



Incremental dressing percentage

| <u>Weight</u> | <u>DP</u> | <u>HCW</u> | <u>Gain</u> | <u>Incremental</u> |
|---------------|-----------|------------|-------------|--------------------|
| 600 | 52.0% | 312 | | |
| 650 | 52.8% | 343 | 30.9 | 61.8% |
| 700 | 53.5% | 375 | 31.6 | 63.3% |
| 750 | 54.3% | 407 | 32.4 | 64.8% |
| 800 | 55.0% | 440 | 33.1 | 66.3% |
| 850 | 55.8% | 474 | 33.9 | 67.7% |
| 900 | 56.5% | 509 | 34.6 | 69.2% |
| 950 | 57.3% | 544 | 35.4 | 70.8% |
| 1000 | 58.0% | 580 | 36.1 | 72.3% |
| 1050 | 58.8% | 617 | 36.9 | 73.8% |
| 1100 | 59.5% | 655 | 37.6 | 75.3% |
| 1150 | 60.2% | 693 | 38.4 | 76.7% |
| 1200 | 61.0% | 732 | 39.1 | 78.2% |
| 1250 | 61.7% | 772 | 39.9 | 79.8% |
| 1300 | 62.5% | 812 | 40.6 | 81.2% |
| 1350 | 63.2% | 854 | 41.4 | 82.7% |
| 1400 | 64.0% | 896 | 42.1 | 84.3% |
| 1450 | 64.7% | 939 | 42.9 | 85.7% |
| 1500 | 65.5% | 982 | 43.6 | 87.3% |

Thumb rules

At the end of a feeding period...

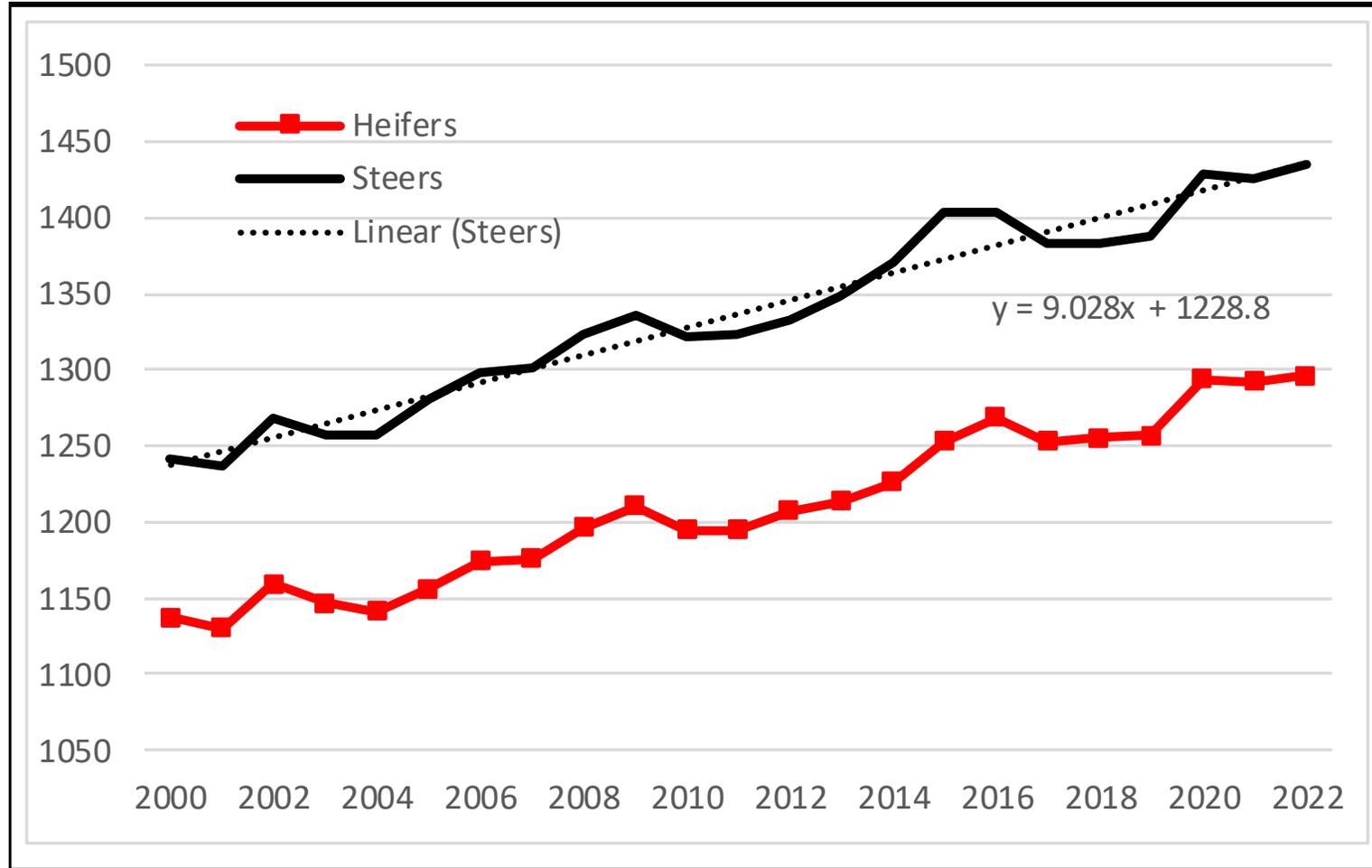
- Live weight gain slows to 80% of average
- 80% of live weight gain is carcass

Example – steers that will close-out at 3.75 lb per day are gaining about 3.00 lb of live weight per day at the end and 2.40 lb per day of carcass weight

Is the daily cost more or less than the value of 2.40 lb of carcass?

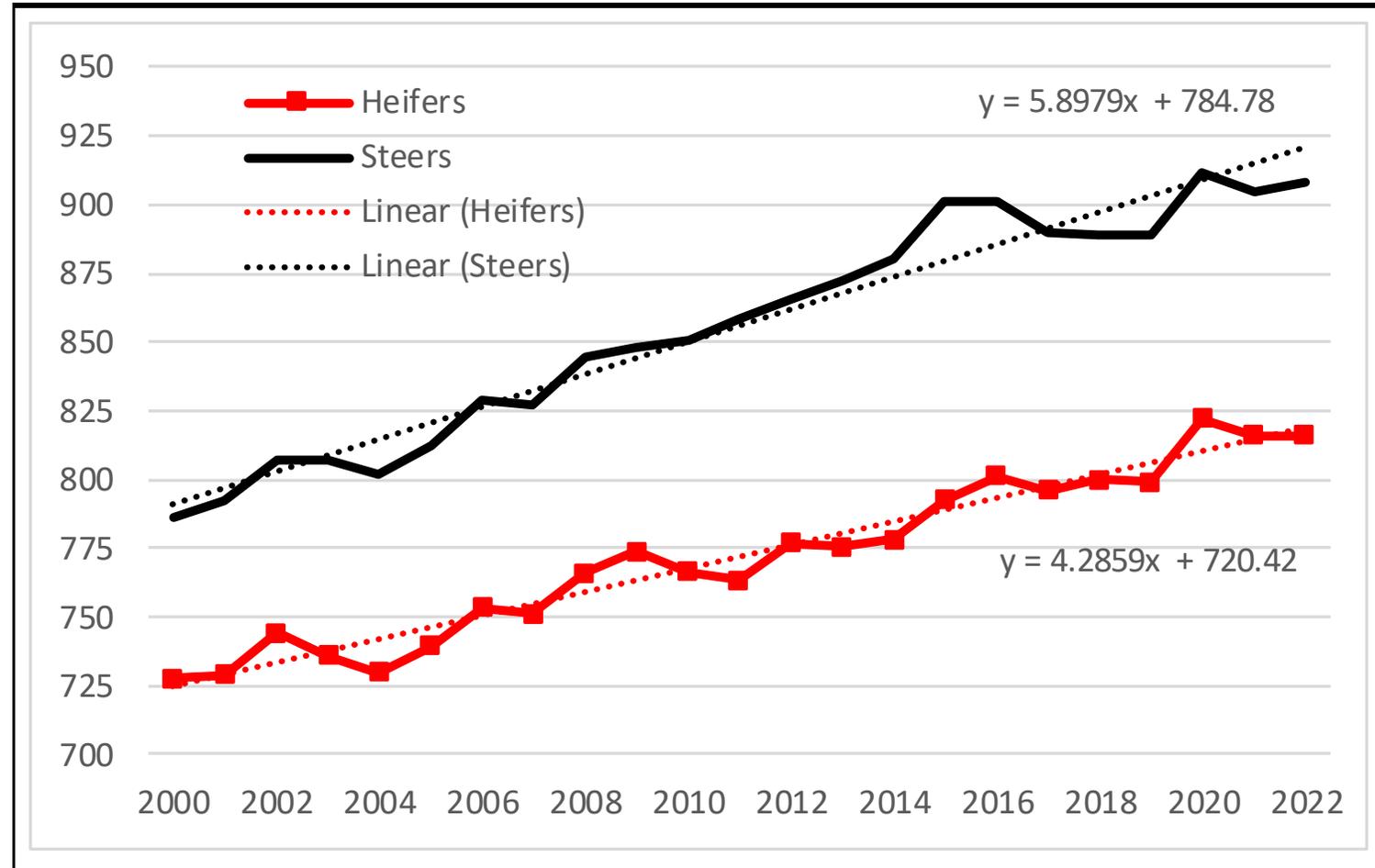


Out weight by sex and year closed



Data courtesy of Elanco Knowledge Solutions

Hot carcass weight by sex and year closed



Data courtesy of Elanco Knowledge Solutions

New terminology

- Carcass cost of gain
- Incremental cost of gain

If selling carcass weight, pay attention to carcass cost of gain.

Profitability increases until incremental cost of gain exceeds the sale price.



MWPMS Endpoint Selection Calculator

| | | |
|------------------------|-----------|---------------|
| Pay weight in | lb/head | 750 |
| Delivered price | \$/cwt | 135.00 |
| Processing + treatment | \$/hd | 12.00 |
| Death loss | % | 1.0% |
| Target days on feed | d | 165 |
| Average daily gain | lb/hd/d | 3.75 |
| Live weight | lb/head | 1369 |
| Feed consumption | lb/hd/d * | 23.00 |
| Feed conversion | F/G | 6.13 |
| Dressing percentage | % | 63.5% |
| Carcass weight | HCW, lb | 869 |
| | | |
| Feeder cost, \$/head | | |
| Feed price | \$/ton * | 300.00 |
| Interest rate | % | 5.0% |
| Yardage | \$/hd/d | 0.10 |
| Cost of production | \$/head | |
| Total cost | \$/head | |
| | | |
| Live cost of gain | \$/cwt | |
| Carcass cost of gain | \$/cwt | |
| | | |
| Live sale price | \$/cwt | |
| Carcass sale price | \$/cwt | |
| | | |
| Revenue sold live | \$/head | |
| Profit (loss) | | |
| Compared to target DOF | | |
| | | |
| Revenue sold carcass | \$/head | |
| Profit (loss) | | |
| Compared to target DOF | | |

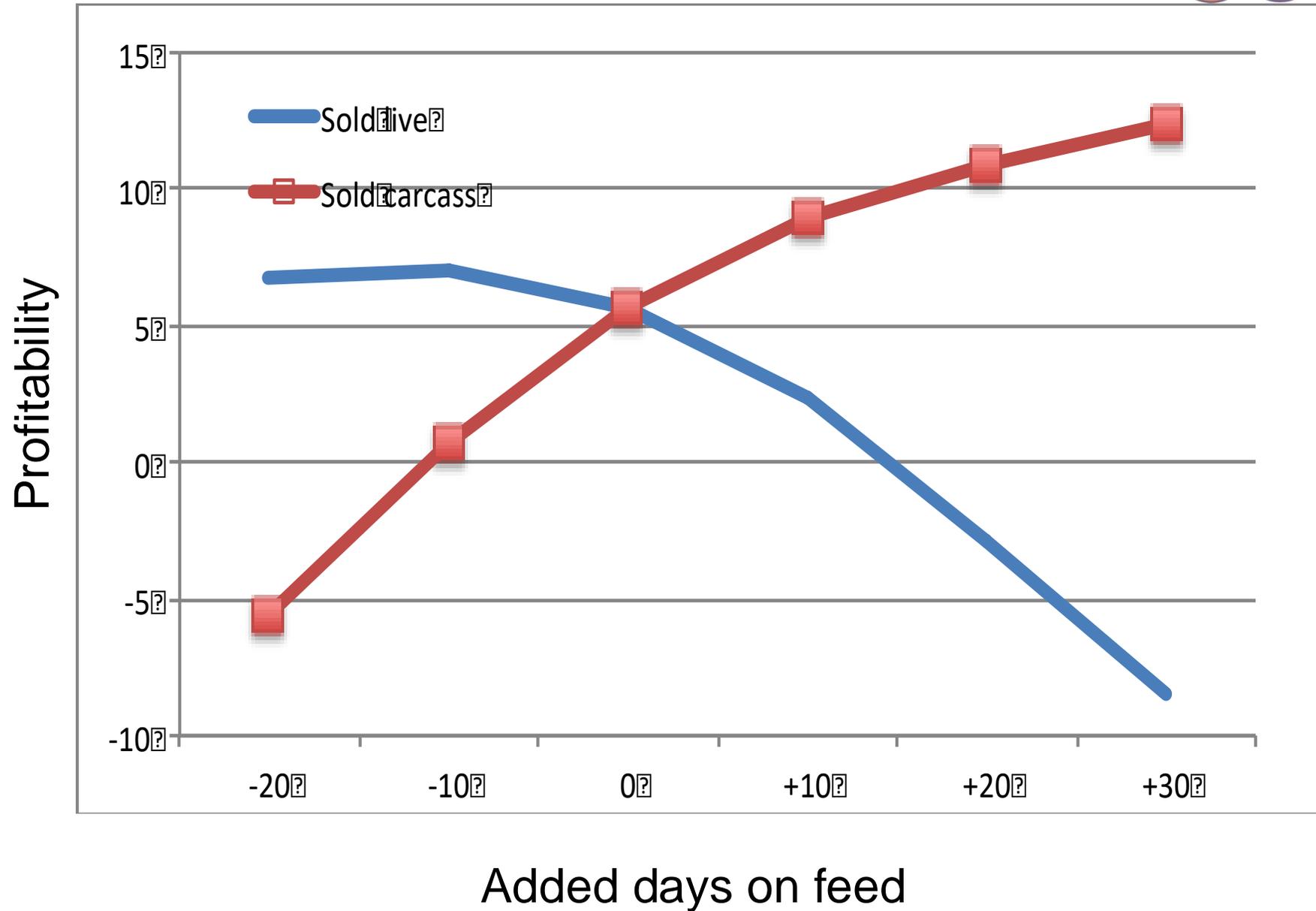


Results by days on feed

| | 145 | 155 | Target 165 | 175 | 185 | 195 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 3.85 | 3.80 | 3.75 | 3.70 | 3.65 | 3.60 |
| | 1308 | 1339 | 1369 | 1398 | 1425 | 1452 |
| | 22.80 | 22.90 | 23.00 | 23.07 | 23.12 | 23.12 |
| | 5.92 | 6.03 | 6.13 | 6.24 | 6.33 | 6.42 |
| | 62.98% | 63.24% | 63.50% | 63.76% | 64.02% | 64.28% |
| | 823.9 | 846.8 | 869.2 | 891.0 | 912.4 | 933.3 |
| | 1012.50 | 1012.50 | 1012.50 | 1012.50 | 1012.50 | 1012.50 |
| | 495.90 | 532.43 | 569.25 | 605.59 | 641.58 | 676.26 |
| | 25.04 | 27.15 | 29.32 | 31.53 | 33.79 | 36.08 |
| | 14.50 | 15.50 | 16.50 | 17.50 | 18.50 | 19.50 |
| | 545.16 | 584.80 | 624.79 | 664.34 | 703.59 | 741.56 |
| | 1557.66 | 1597.30 | 1637.29 | 1676.84 | 1716.09 | 1754.06 |
| | 97.65 | 99.29 | 100.98 | 102.60 | 104.20 | 105.64 |
| | 133.97 | 136.07 | 138.18 | 140.14 | 142.01 | 143.62 |
| | 120.00 | 120.00 | 120.00 | 120.00 | 120.00 | 120.00 |
| | 189.00 | 189.00 | 189.00 | 189.00 | 189.00 | 189.00 |
| | 1569.90 | 1606.80 | 1642.50 | 1677.00 | 1710.30 | 1742.40 |
| | 12.24 | 9.50 | 5.21 | 0.16 | -5.79 | -11.66 |
| | 7.03 | 4.29 | | -5.05 | -11.00 | -16.87 |
| | 1557.24 | 1600.42 | 1642.71 | 1684.08 | 1724.52 | 1764.02 |
| | -0.42 | 3.13 | 5.42 | 7.24 | 8.43 | 9.96 |
| | -5.83 | -2.29 | | 1.82 | 3.02 | 4.55 |

[Click here to view incremental results](#)

Selling live vs. carcass



Incremental performance

\$325/t ration price (dry), 7% interest



| Days | ----Live---- | | --Carcass-- | |
|---------|--------------|------------|-------------|------------|
| | <u>F/G</u> | <u>COG</u> | <u>F/G</u> | <u>COG</u> |
| 0-165 | 5.85 | 108.04 | 8.19 | 151.34 |
| Next 10 | 8.12 | 147.33 | 10.76 | 195.32 |
| Next 10 | 8.46 | 153.76 | 11.08 | 201.32 |
| Next 10 | 8.62 | 157.22 | 11.15 | 203.23 |

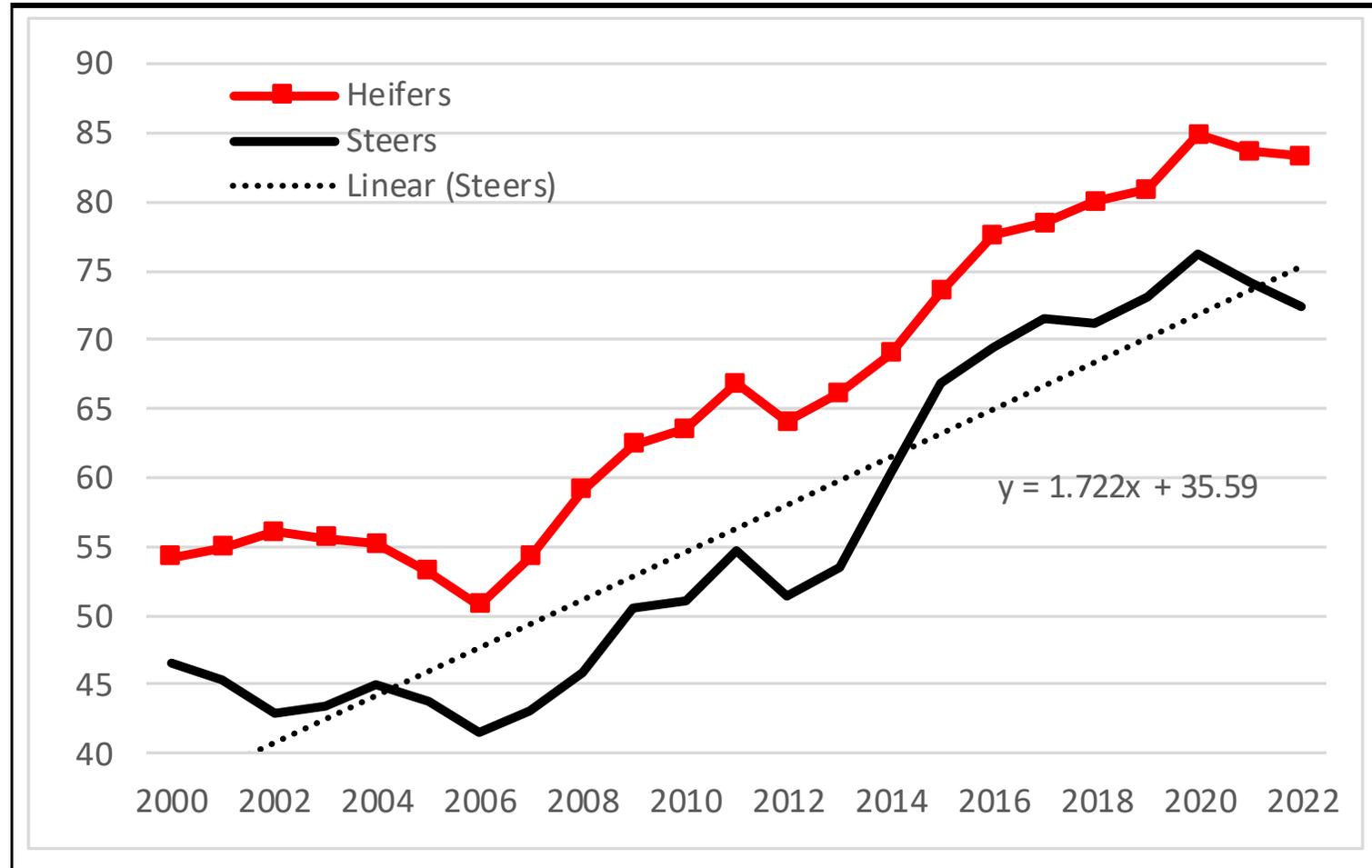
Growth Summary

- As cattle grow in the feedyard most of the weight gain is carcass tissues – muscle and fat
- Early on, cattle are not fat enough to sell, as they increase in weight they become more valuable
- If fed too long they get too heavy and/or too fat and lose value
- As they are fed, feed intake and cost increases
 - NRC modeling is not as accurate as using your own data
- The right marketing date maximizes value over cost and uses a dynamic model to integrate both



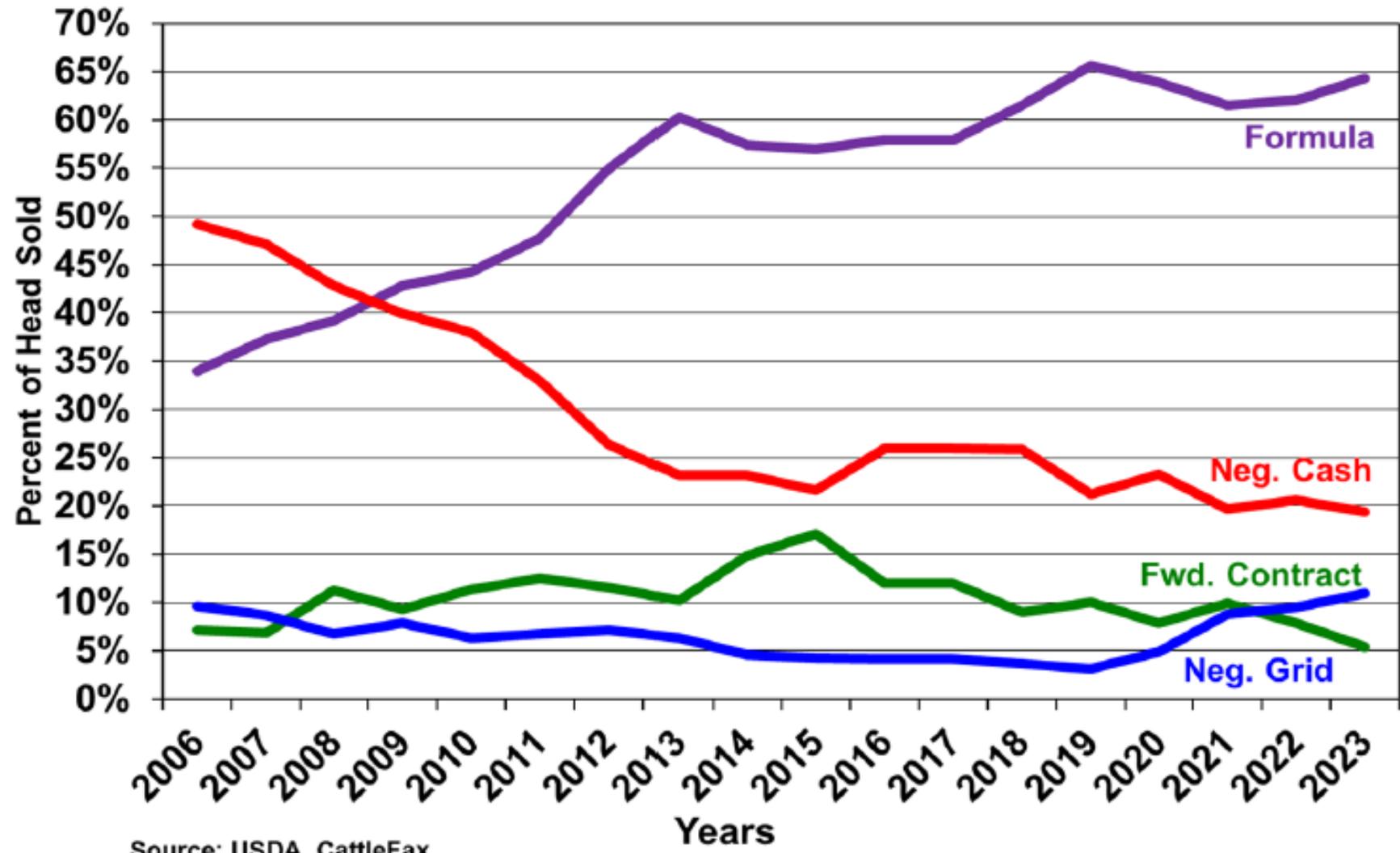


Percentage Choice+ by sex and year closed



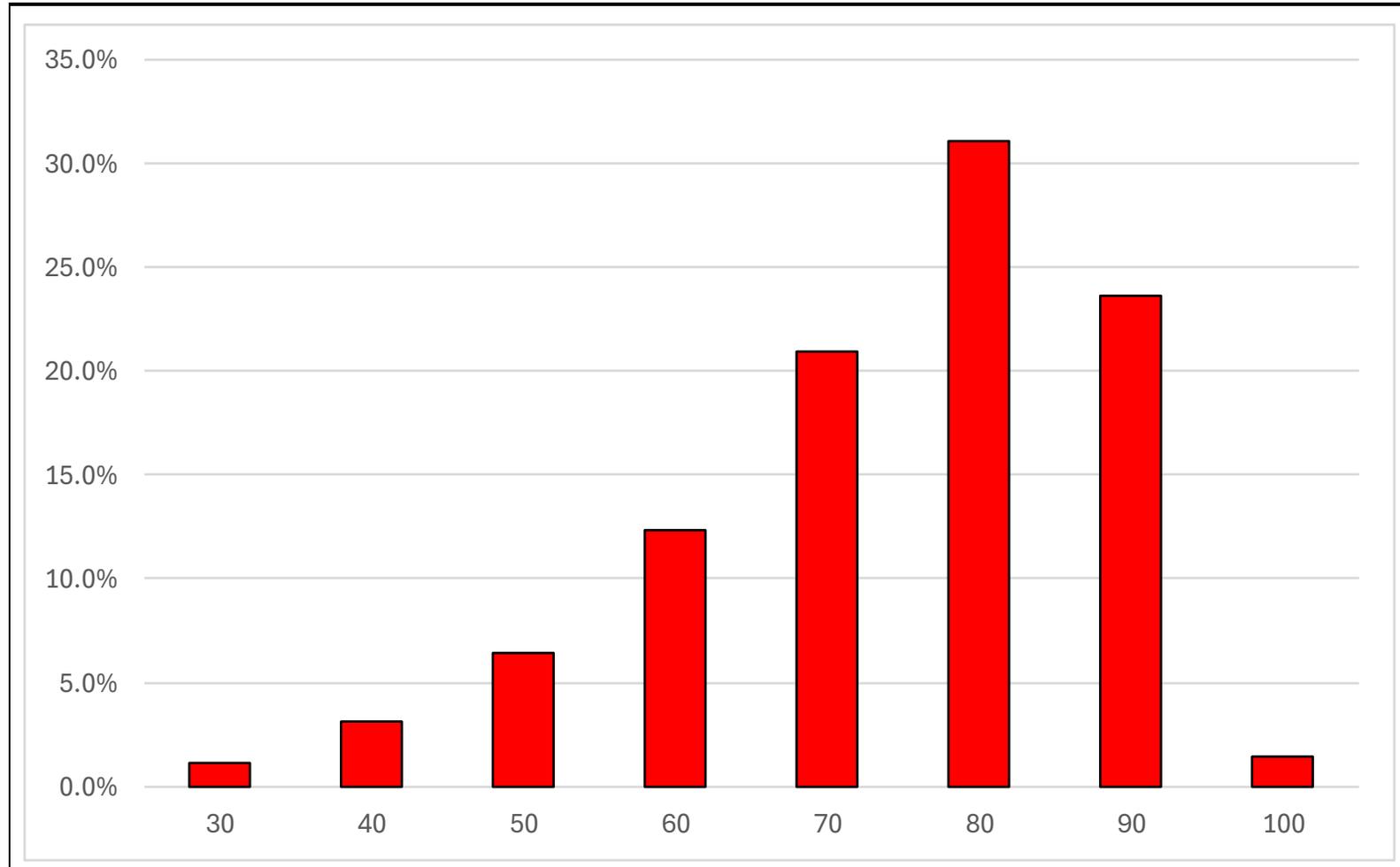
Data courtesy of Elanco Knowledge Solutions

U.S. Fed Cattle Trade by Purchase Type



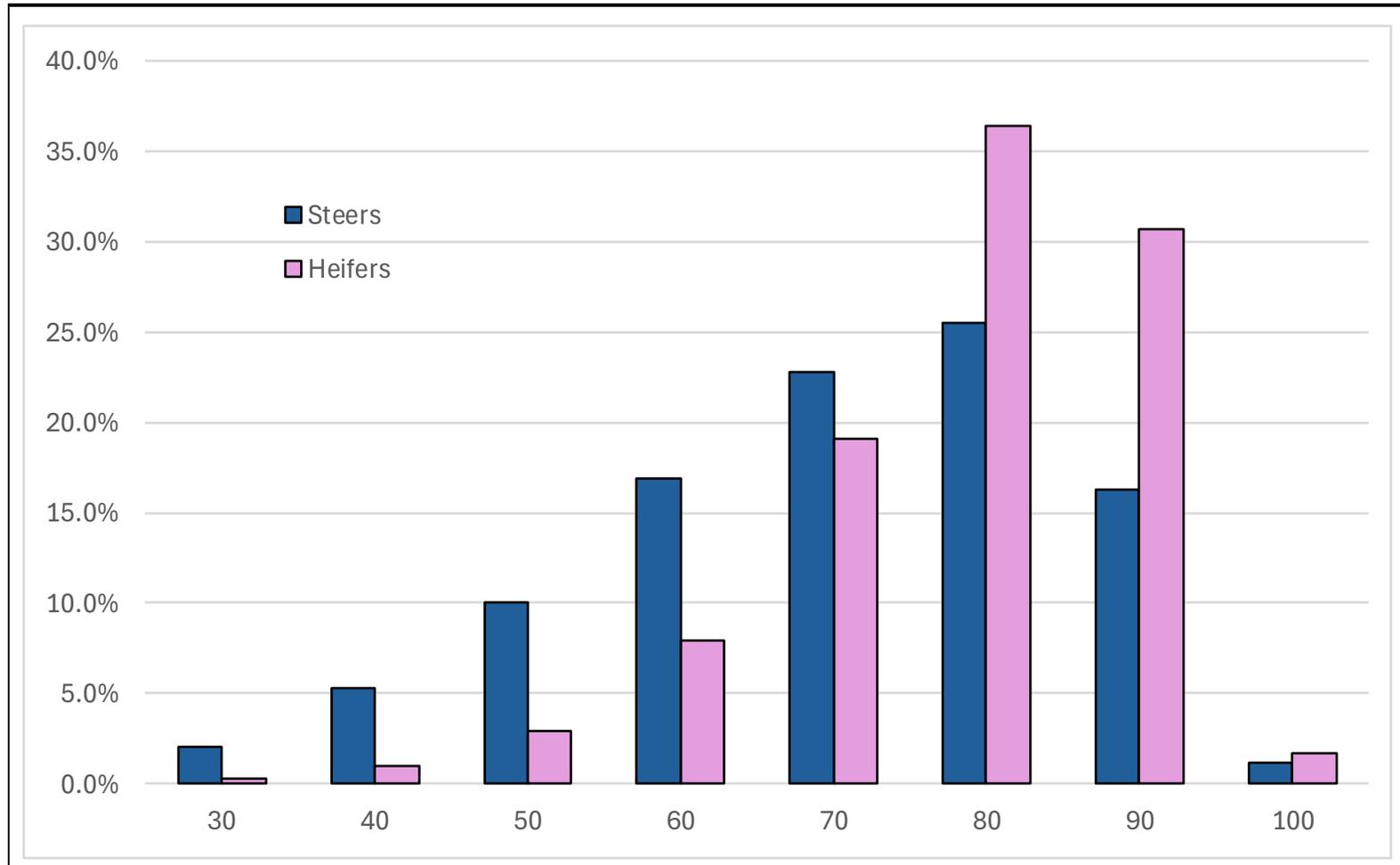
Source: USDA, CattleFax

Distribution of lots in Percentage Choice+ categories Benchmark data 2019-2023



Data courtesy of Elanco Knowledge Solutions

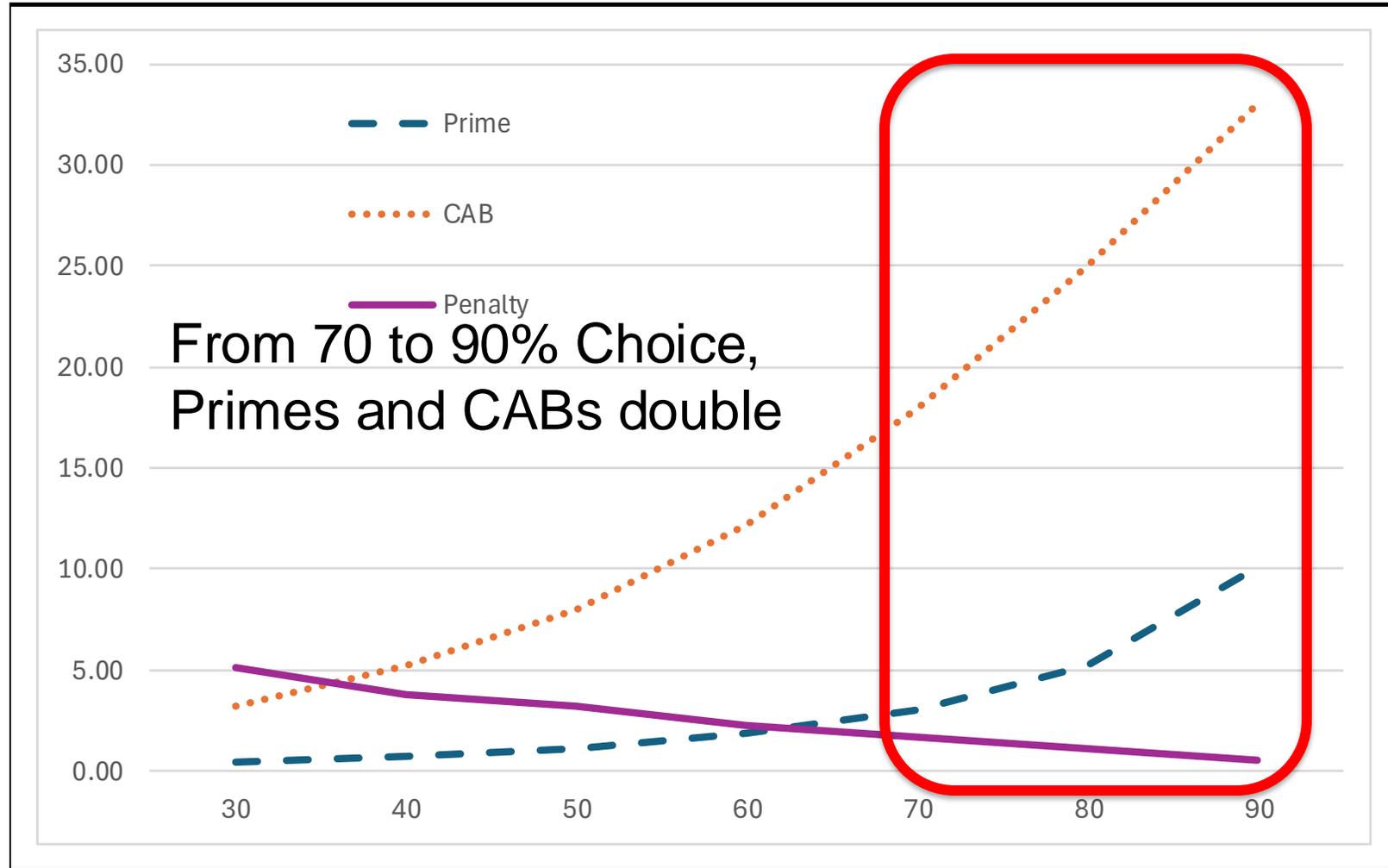
Distribution of lots in Percentage Choice+ categories Benchmark data 2019-2023



Data courtesy of Elanco Knowledge Solutions

Quality Grade Incidence in Percentage Choice+ categories

Benchmark data 2019-2023



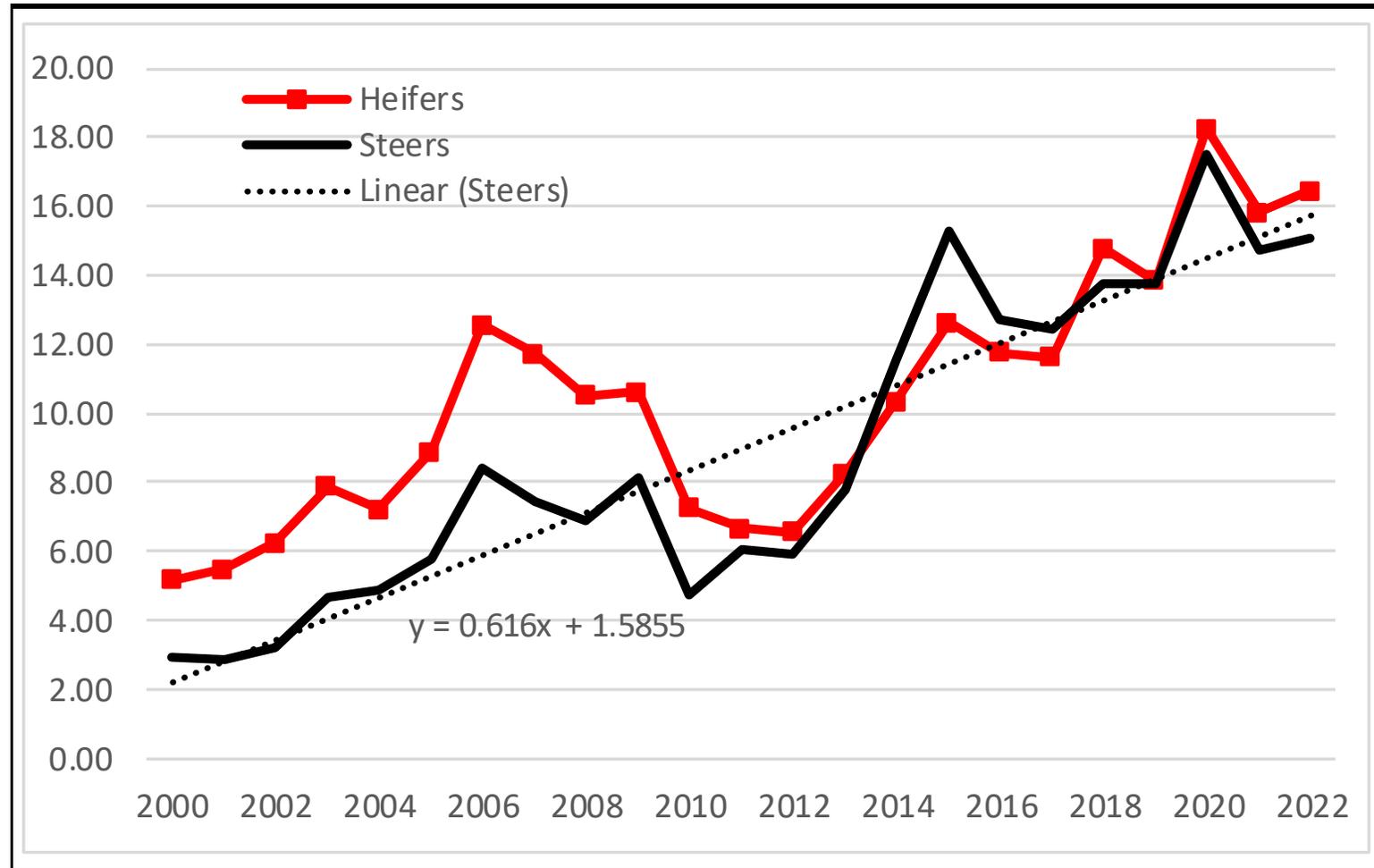
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Pete's first rule of biology:

Everything is connected to
everything

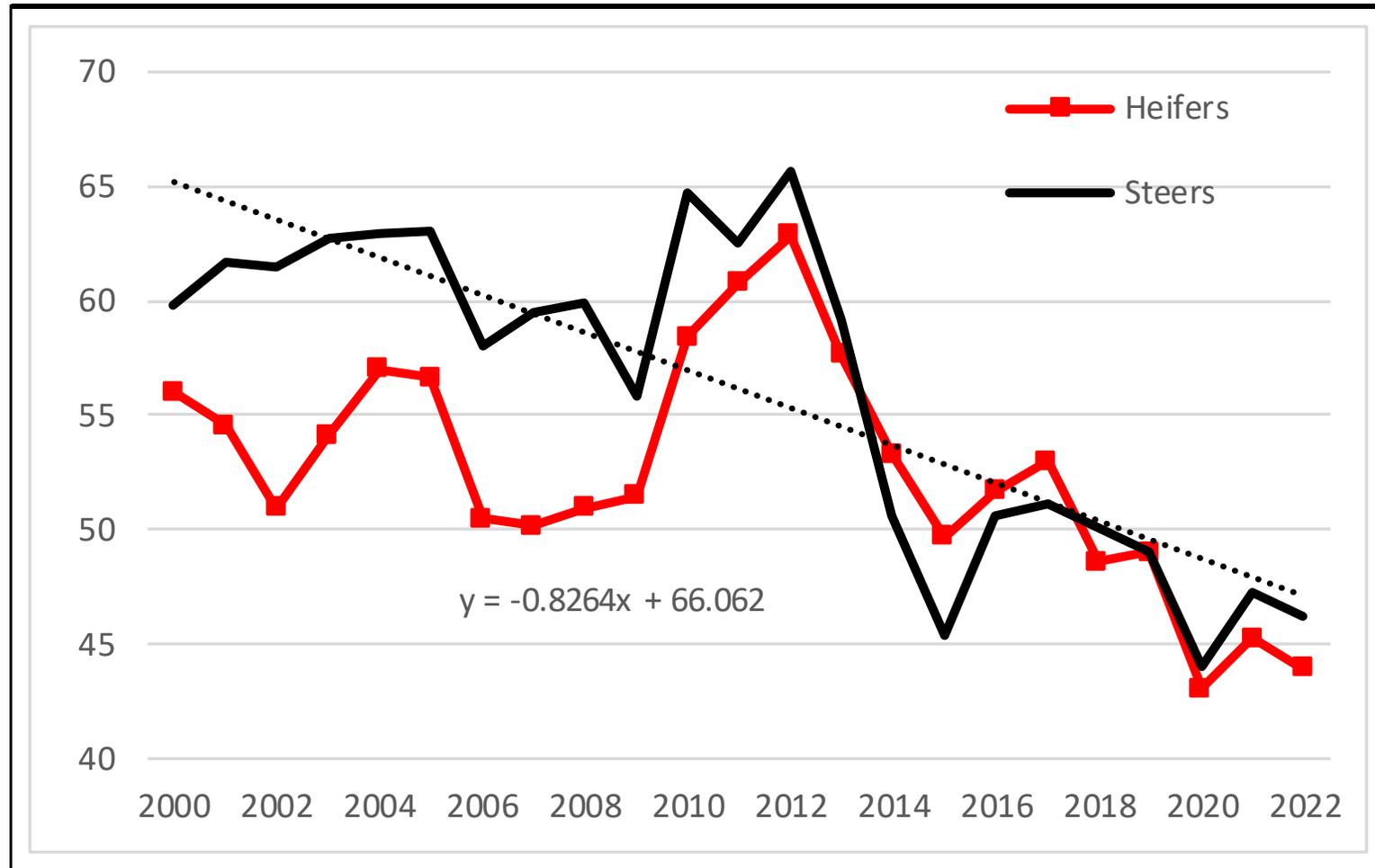


Percentage YG 4+5 by sex and year closed



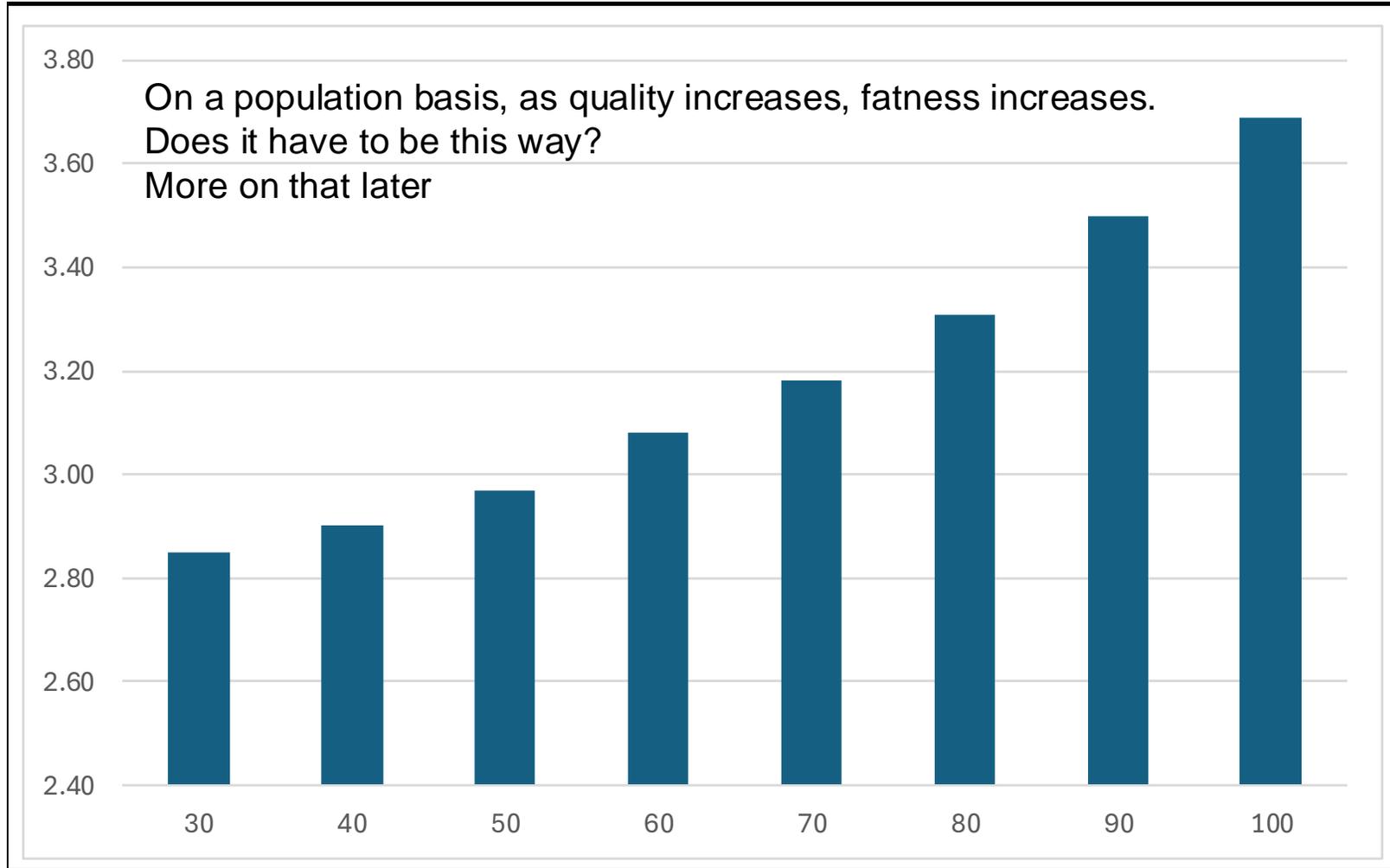
Data courtesy of Elanco Knowledge Solutions

Percentage YG 1+2 by sex and year closed



Data courtesy of Elanco Knowledge Solutions

Mean Yield Grade (modeled) in Percentage Choice+ categories Benchmark data 2019-2023



Data courtesy of Elanco Knowledge Solutions

Distribution of carcass results based on pct Choice and higher

| | -----Percentage Choice and higher----- | | | | | |
|---------|--|-----------|-----------|-----------|-----------|------------|
| | <u>0</u> | <u>20</u> | <u>40</u> | <u>60</u> | <u>80</u> | <u>100</u> |
| Prime | 0.0 | 0.1 | 0.6 | 1.6 | 4.1 | 9.0 |
| Premium | 0.0 | 1.2 | 5.3 | 11.9 | 20.4 | 30.8 |
| Choice | 0.0 | 19.9 | 39.4 | 58.4 | 75.9 | 91.0 |
| Select | 67.0 | 65.4 | 56.2 | 39.0 | 20.0 | 0.0 |
| Penalty | 33.0 | 14.6 | 3.8 | 1.0 | 0.0 | 0.0 |



Distribution of carcass results based on pct Choice and higher

-----Percentage Choice and higher-----

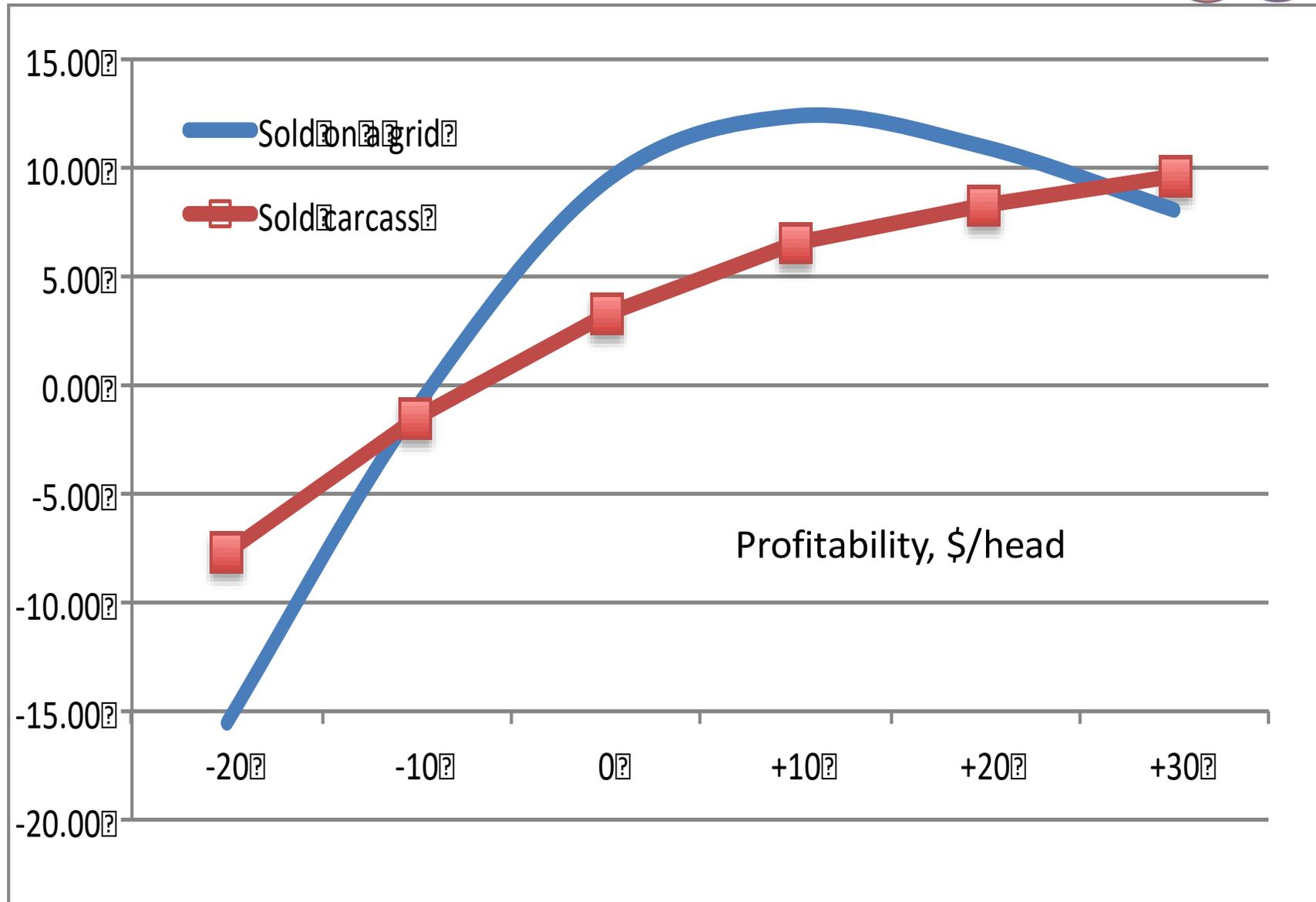
| | <u>0</u> | <u>20</u> | <u>40</u> | <u>60</u> | <u>80</u> | <u>100</u> |
|---------|----------|-----------|-----------|-----------|-----------|------------|
| Prime | 0.0 | 0.1 | 0.0 | 1.6 | 4.1 | 9.0 |
| Premium | 0.0 | 1.2 | 0.0 | 11.9 | 20.4 | 30.8 |
| Choice | 0.0 | 0.0 | 0.0 | 58.4 | 75.9 | 91.0 |
| Select | 6.0 | 0.0 | 0.0 | 39.0 | 20.0 | 0.0 |
| Penalty | 33.0 | 0.0 | 3.8 | 1.0 | 0.0 | 0.0 |
| YG 1 | 4.0 | 0.0 | 0.0 | 11.3 | 4.7 | 1.1 |
| YG 2 | 0.0 | 0.0 | 0.0 | 44.0 | 41.0 | 37.8 |
| YG 3 | 0.0 | 27.4 | 0.0 | 39.7 | 42.2 | 37.1 |
| YG 4 | 0.0 | 0.2 | 0.0 | 4.5 | 11.0 | 21.8 |
| YG 5 | 0.0 | 0.0 | 0.0 | 0.5 | 1.1 | 2.2 |

Carcass value changes over time

- Quality grade profile improves
- Yield grade profile becomes poorer
- Weight discounts increase
- On any given day, some individual animals are becoming more valuable, and some are becoming less valuable. The value of the entire group may be increasing or decreasing but it is always changing.
- It is common for value to increase as weight is added until penalties for heavies or YG4's accumulate. Value then decreases rapidly.



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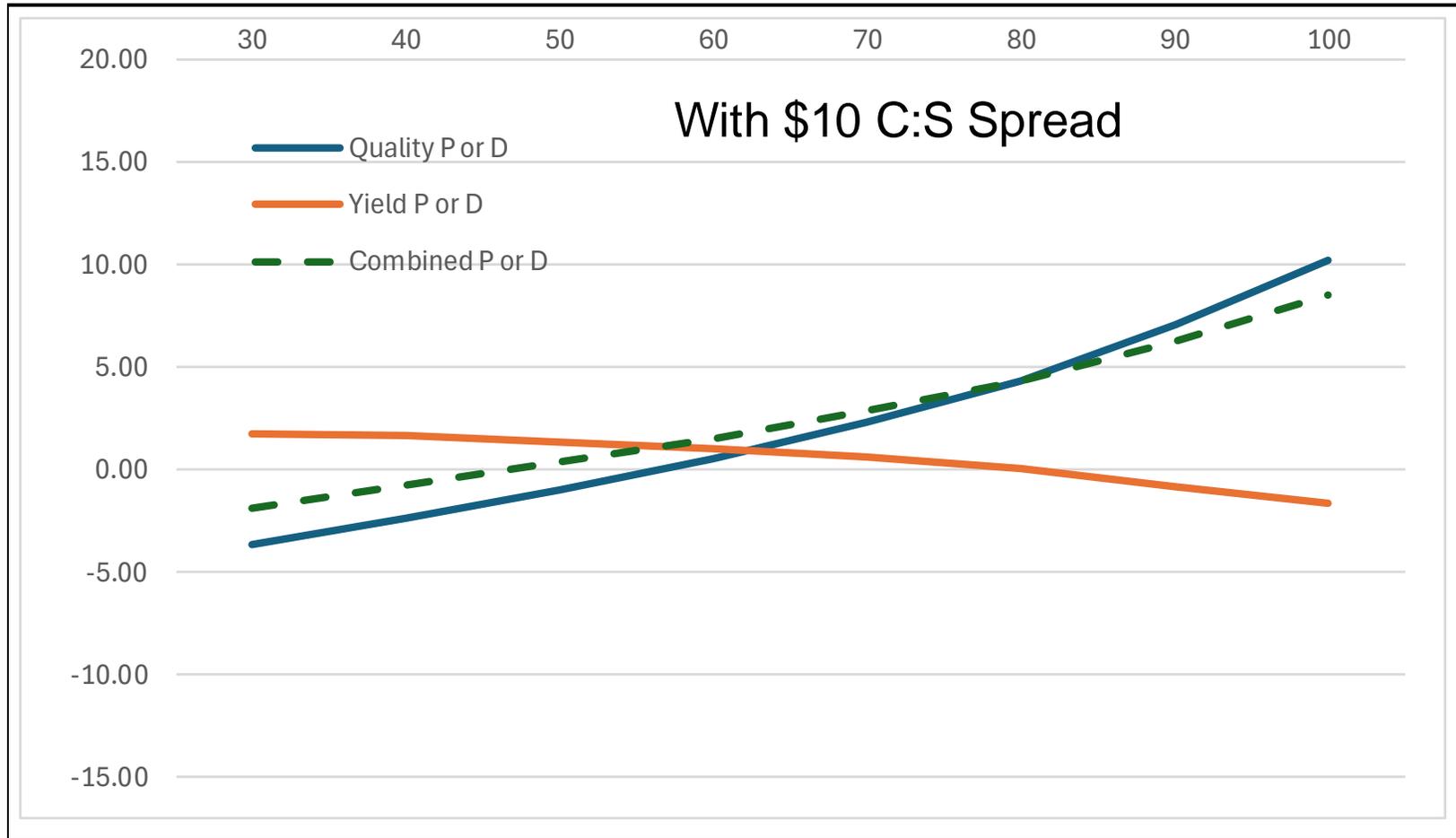


Premiums or discounts by percentage Choice

| | | Choice or higher index (%) | | | | | | | |
|---------------|--------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <u>P or D</u> | | <u>30</u> | <u>40</u> | <u>50</u> | <u>60</u> | <u>70</u> | <u>80</u> | <u>90</u> | <u>100</u> |
| Prime | 30.00 | 0.11 | 0.22 | 0.34 | 0.56 | 0.91 | 1.56 | 3.01 | 5.88 |
| CAB | 6.00 | 0.19 | 0.31 | 0.48 | 0.73 | 1.07 | 1.50 | 1.98 | 1.89 |
| Choice | 6.00 | 2.13 | 2.69 | 3.26 | 3.81 | 4.34 | 4.79 | 5.04 | 4.82 |
| Select | -14.00 | -8.33 | -7.13 | -5.85 | -4.54 | -3.23 | -1.94 | -0.77 | 0.00 |
| Penalty | -25.00 | -0.91 | -0.69 | -0.53 | -0.39 | -0.28 | -0.18 | -0.08 | 0.00 |
| YG 1 | 4.00 | 0.90 | 0.83 | 0.72 | 0.58 | 0.47 | 0.35 | 0.21 | 0.09 |
| YG 2 | 2.00 | 0.87 | 0.86 | 0.84 | 0.80 | 0.76 | 0.69 | 0.57 | 0.45 |
| YG 3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| YG 4 | -10.00 | 0.13 | 0.09 | -0.03 | -0.19 | -0.39 | -0.66 | -1.10 | -1.58 |
| YG 5 | -15.00 | -0.13 | -0.15 | -0.17 | -0.21 | -0.26 | -0.33 | -0.48 | -0.60 |
| Net QG P or D | | -6.80 | -4.61 | -2.30 | 0.19 | 2.81 | 5.73 | 9.18 | 12.60 |
| Net YG P or D | | 1.77 | 1.64 | 1.37 | 0.98 | 0.57 | 0.04 | -0.81 | -1.64 |
| Combined | | -5.04 | -2.97 | -0.93 | 1.17 | 3.38 | 5.77 | 8.38 | 10.95 |

Calculated based on data provided by Elanco Knowledge Solutions

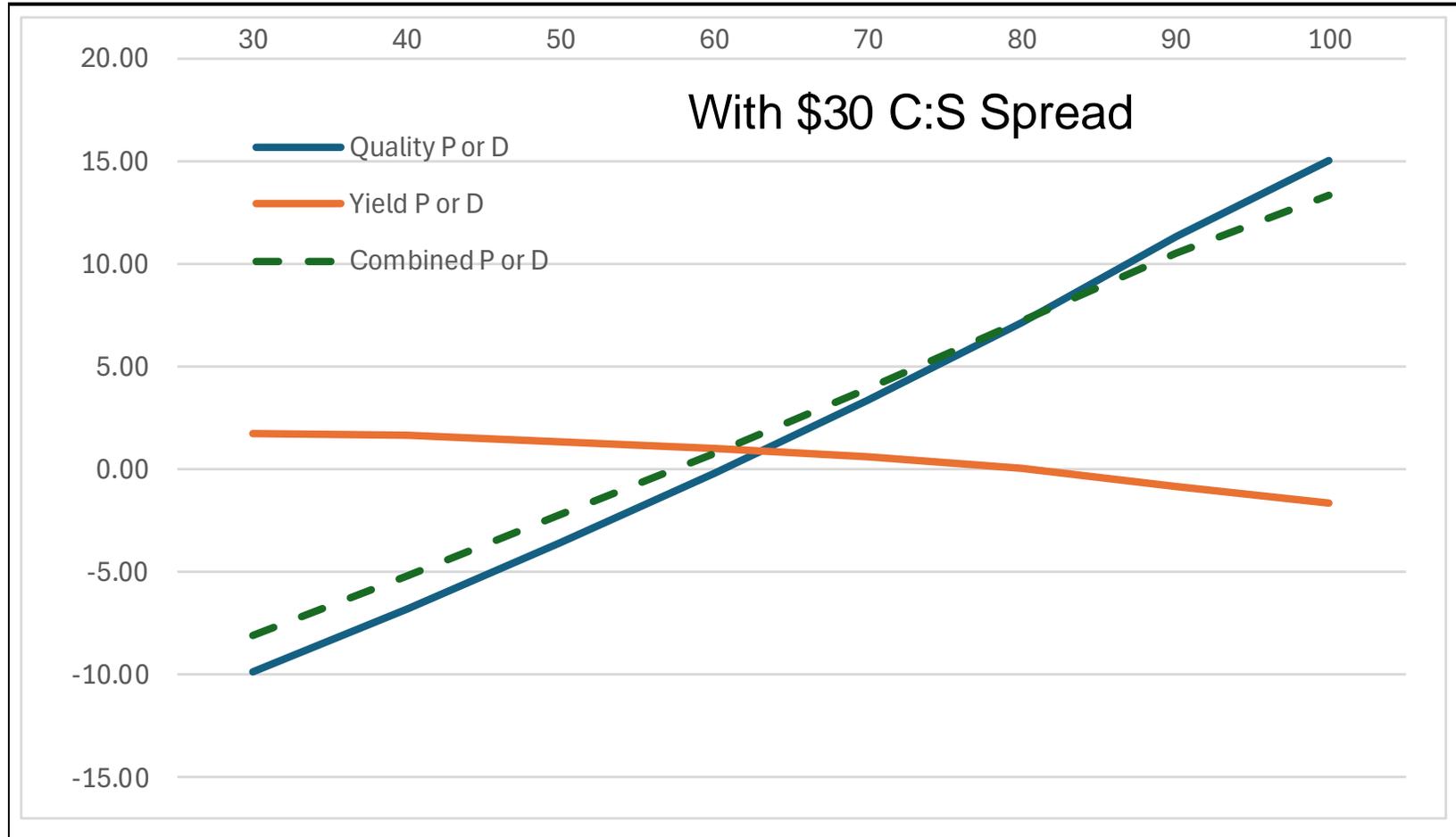
QG, YG and combined premiums (\$/cwt) by percentage Choice Typical QG, YG premiums or discounts



Calculated using data provided by Elanco Knowledge Solutions

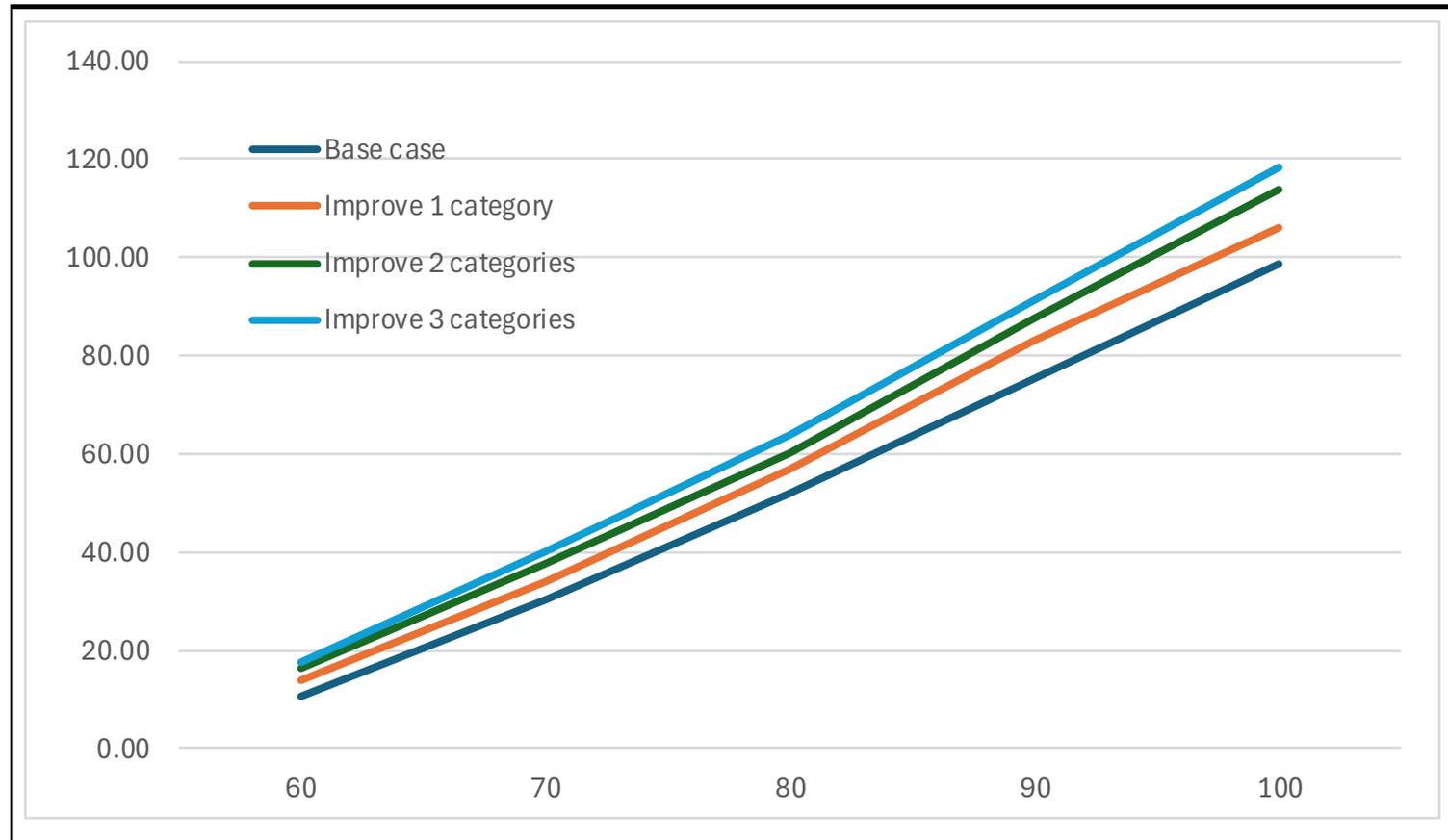
QG, YG and combined premiums (\$/cwt) by percentage Choice

Typical QG, YG premiums or discounts



Calculated using data provided by Elanco Knowledge Solutions

Combined premiums (\$/head) by percentage Choice With improved YG profile



Calculated using data provided by Elanco Knowledge Solutions



Grid Comparison Calculator

Live bid: **\$170.00**
 Carcass bid: **\$268.00**

Dress, % **64.00**

Expected carcass performance:

| Category | % | Category | % |
|---------------|--------------|----------|--------------|
| Prime | 3.0 | YG 1 | 6.0 |
| CAB | 22.0 | YG 2 | 38.0 |
| Choice | 70.0 | YG 3 | 43.0 |
| Select | 26.0 | YG 4 | 12.0 |
| Standard | 0.0 | YG 5 | 1.0 |
| No Roll | 1.0 | | |
| | | Heavy | 0.0 |
| Dark | 0.0 | Light | 0.0 |
| Out | 0.0 | | |
| Totals | 100.0 | | 100.0 |

Carcass summary:

| | |
|------------------------|------|
| Percent choice and up: | 73.0 |
| Percent CAB: | 22.0 |
| Percent YG 4 and 5: | 13.0 |
| Percent out: | 0.0 |
| Percent defect rate: | 14.0 |

Preliminary grid input:

| | |
|------------------------------|----------------|
| Base Dressing Percentage | 63.8 |
| Base price | \$266.46 |
| Base % Choice | 75.0 |
| Choice/Select spread, \$/cwt | \$15.00 |
| Choice Price, \$/cwt | \$270.21 |
| Select Price, \$/cwt | \$255.21 |

Grid details, premiums or discounts, allowances:

| Category | P or D | Allowance, % | Effect | Net |
|---|-----------------|--------------|--------------------------------|-----------------|
| Prime <i>(Premium over Choice)</i> | \$5.00 | 0 | \$8.75 | \$0.26 |
| CAB <i>(Premium over Choice)</i> | \$1.50 | 0 | \$5.25 | \$1.16 |
| Choice | | | \$3.75 | \$2.63 |
| Select | | | (\$11.25) | -\$2.93 |
| No Roll <i>(Discount from Select)</i> | -\$15.00 | 0 | (\$26.25) | -\$0.26 |
| Standard <i>(Discount from Select)</i> | -\$25.00 | 0 | (\$36.25) | \$0.00 |
| Dark Cutter <i>(Discount from Base)</i> | -\$20.00 | 0 | (\$20.00) | \$0.00 |
| Heavy Weight <i>(Discount from Base)</i> | -\$30.00 | 0 | (\$30.00) | \$0.00 |
| Light Weight <i>(Discount from Base)</i> | -\$30.00 | 0 | (\$30.00) | \$0.00 |
| Out Cattle <i>(Discount from Base)</i> | -\$20.00 | 0 | (\$20.00) | \$0.00 |
| YG 1 <i>(Premium from Base)</i> | \$3.00 | 0 | \$3.00 | \$0.18 |
| YG 2 <i>(Premium from Base)</i> | \$1.50 | 0 | \$1.50 | \$0.57 |
| YG 3 <i>(Premium or Discount from Base)</i> | \$0.00 | 0 | \$0.00 | \$0.00 |
| YG 4 <i>(Discount from Base)</i> | -\$16.00 | 6 | (\$16.00) | -\$0.96 |
| YG 5 <i>(Discount from Base)</i> | -\$21.00 | 1 | (\$21.00) | \$0.00 |
| Other allowances, \$/cwt | | | | \$0.00 |
| Freight | \$0.00 | | | \$0.00 |
| | | | Net premiums/discounts | \$0.65 |
| | | | Net carcass price: | \$267.10 |
| | | | Net live price: | \$170.95 |
| | | | Net live price minus live bid: | \$0.95 |

Selling on a grid: What creates real value?

Impact on 100 head

Quality grade:

| | |
|----------------------------------|---------|
| Increase Choice from 60% to 70% | +\$1994 |
| Increase Choice from 70% to 80% | +\$2153 |
| Increase Choice from 80% to 90% | +\$2342 |
| Increase Choice from 90% to 100% | +\$2320 |
| | |
| Increase Premium Choice by 10% | +\$1737 |
| Increase Prime by 5% | +\$1350 |

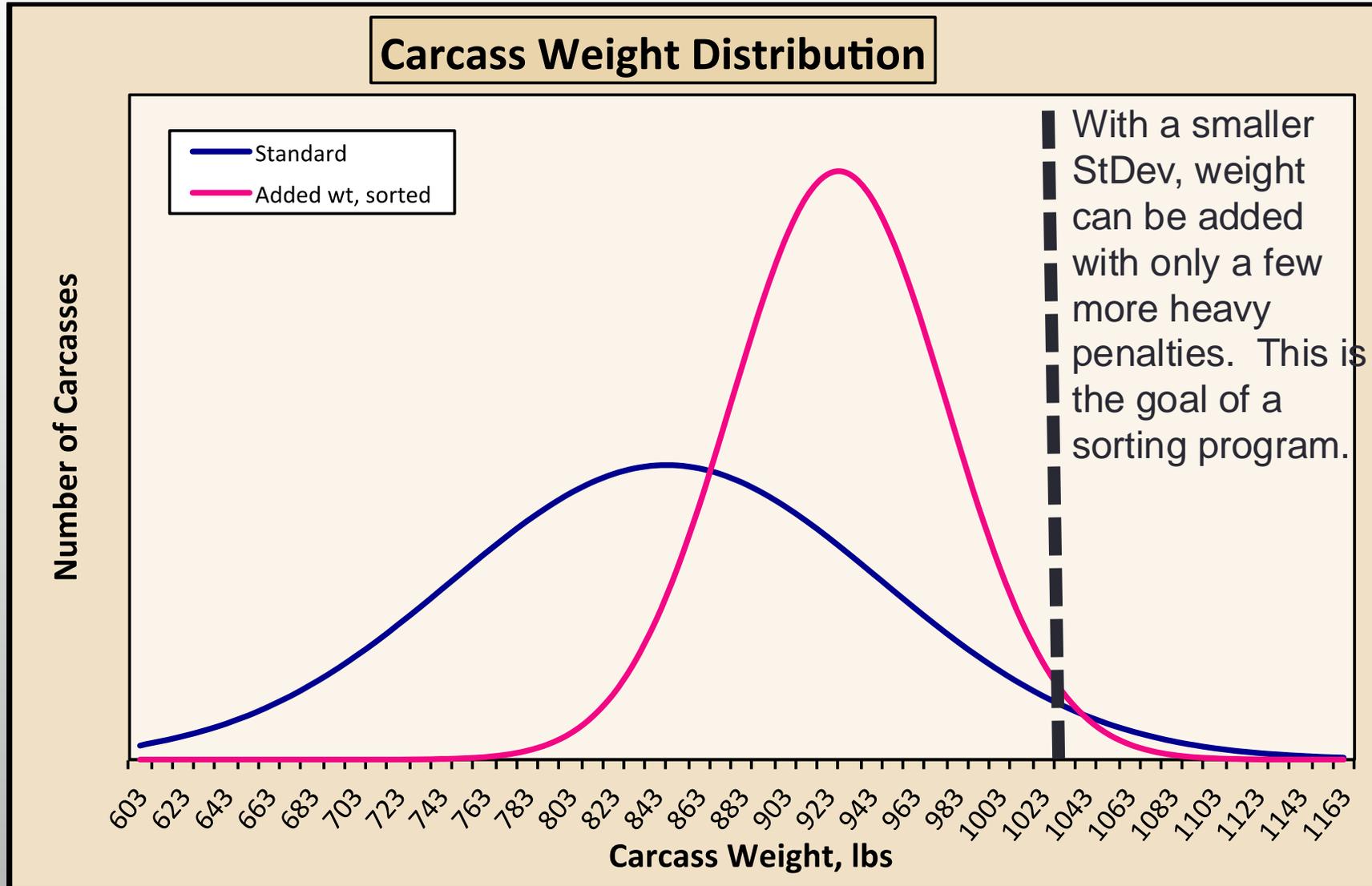
Yield grade:

| | |
|--------------------------|--------|
| Increase Pct YG 2 by 10% | +\$180 |
|--------------------------|--------|

Selling on a grid: What destroys value?

| | |
|--------------|--------------|
| Lights | -\$165 each |
| Heavies | -\$300 each |
| Penalty QG | -\$180 each |
| >30 months | -\$150 each* |
| Dark cutters | -\$180 each |

Effect of uniformity or sorting



Pounds vs premiums and discounts



Carcass changes required to equal 10 lb of HCW

| <u>Price/lb</u> | <u>Value</u> | <u>\$8 C:S Spread</u> <u>\$1.17/pt</u> <u>Pts required</u> | |
|-----------------|--------------|--|------------|
| 2.40 | 24.00 | 20.5 | [Redacted] |
| 2.60 | 26.00 | 22.2 | |
| 2.80 | 28.00 | 23.9 | |
| 3.00 | 30.00 | 25.6 | |



Carcass changes required to equal 10 lb of HCW

| <u>Price/lb</u> | <u>Value</u> | \$8 C:S Spread \$1.17/pt <u>Pts required</u> | \$30 C:S Spread \$2.86/pt <u>Pts required</u> | YG 1's \$4/cwt <u>Pts required</u> | YG 4's \$-12/cwt <u>Pts required</u> | YG 4's \$-20/cwt <u>Pts required</u> |
|-----------------|--------------|--|---|--|--|--|
| 2.40 | 24.00 | 20.5 | 8.4 | 66.7 | 22.2 | 13.3 |
| 2.60 | 26.00 | 22.2 | 9.1 | 72.2 | 24.1 | 14.4 |
| 2.80 | 28.00 | 23.9 | 9.8 | 77.8 | 25.9 | 15.6 |
| 3.00 | 30.00 | 25.6 | 10.5 | 83.3 | 27.8 | 16.7 |



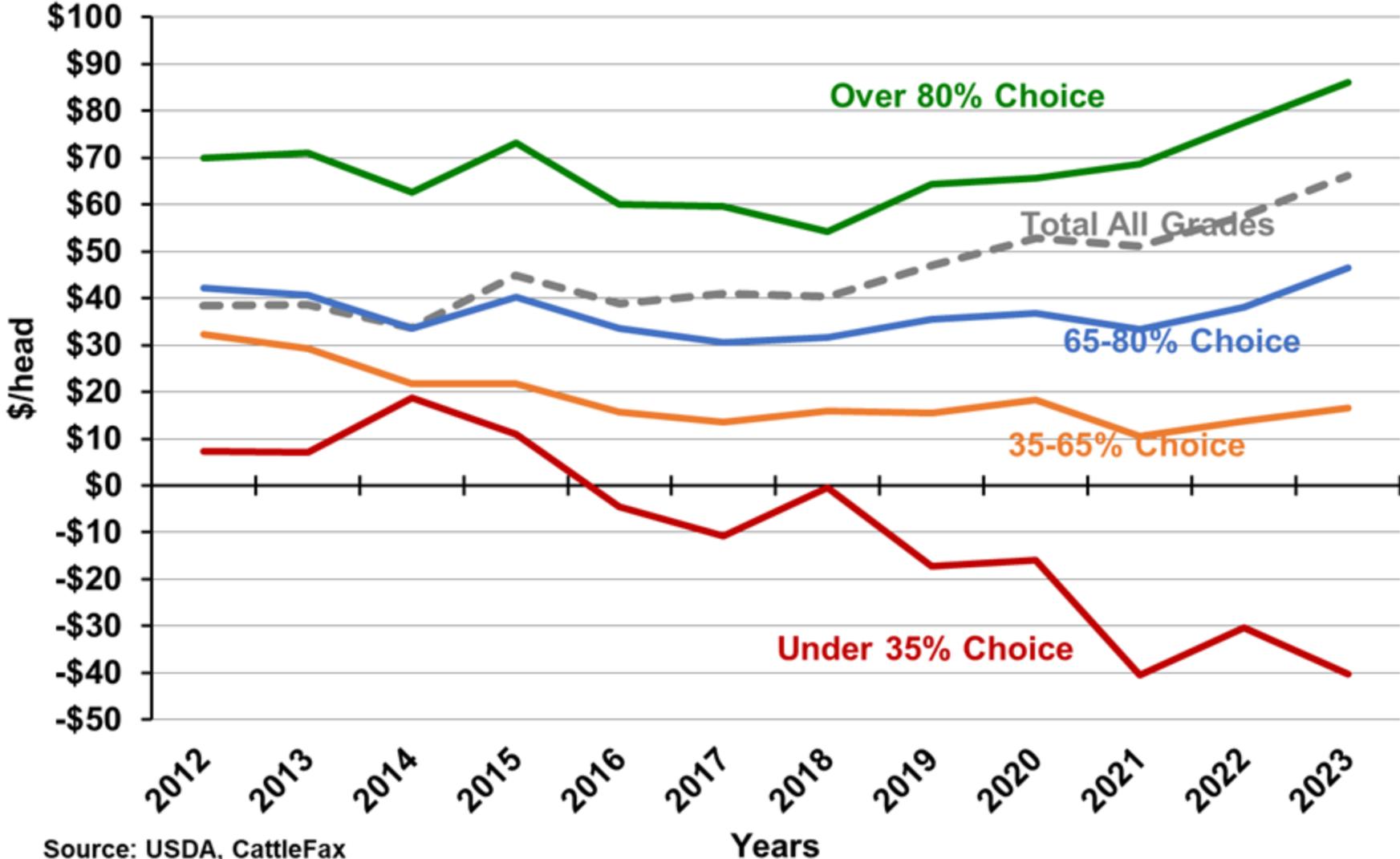
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Carcass changes required to equal 10 lb of HCW, \$100/cwt COG

| <u>Price/lb</u> | <u>Net Value</u> | <u>\$8 C:S Spread \$1.17/pt Pts required</u> | <u>\$30 C:S Spread \$2.86/pt Pts required</u> | <u>YG 1's \$4/cwt Pts required</u> | <u>YG 4's \$-12/cwt Pts required</u> | <u>YG 4's \$-20/cwt Pts required</u> |
|-----------------|------------------|--|---|--|--|--|
| 2.40 | 11.50 | 9.8 | 4.0 | 31.9 | 10.6 | 6.4 |
| 2.60 | 13.50 | 11.5 | 4.7 | 37.5 | 12.5 | 7.5 |
| 2.80 | 15.50 | 13.2 | 5.4 | 43.1 | 14.4 | 8.6 |
| 3.00 | 17.50 | 15.0 | 6.1 | 48.6 | 16.2 | 9.7 |



Average Fed Cattle Premiums by Grade vs. Negotiated Cash



Source: USDA, CattleFax

Selecting an endpoint

- Did all of those charts make you a little dizzy?
- There is no way you can do all of that in your head or by “eyeballing” the cattle.
- Plus, intake and conversion are constantly changing, the market is moving, and weather is coming.
- This is why you need to be able to accurately predict outcomes and optimize profitability
- Use spreadsheets and calculators... for a few years. Then use the next thing, which will be a lot better.



FEEDING QUALITY
FORUM

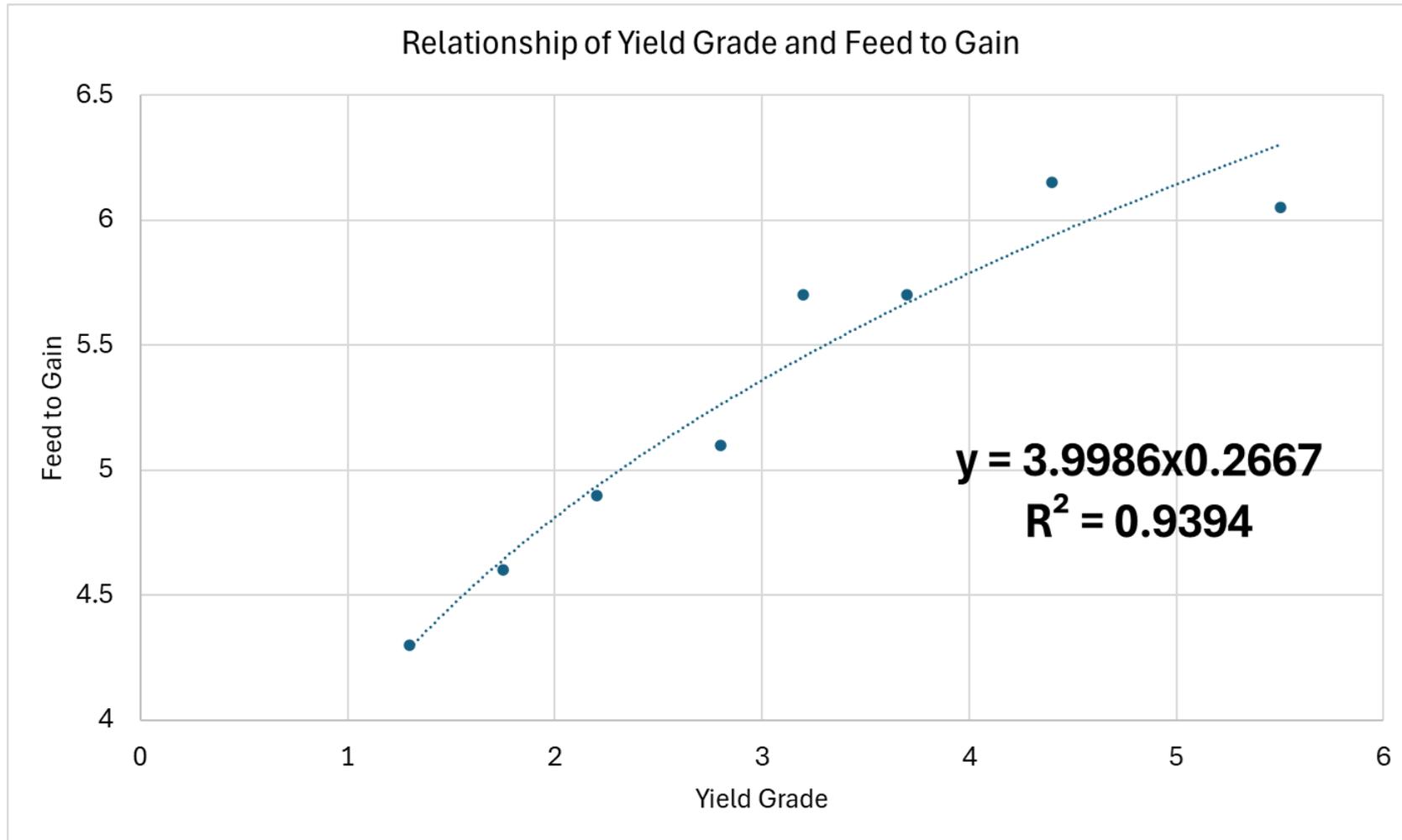
Where do we go from here?



Two opinions, one fact and a question

- Continuing to increase marbling would be a good thing
- Fat is expensive to put on
- Continuing to increase external fatness would be a bad thing
- Question – can we get more marbling without increasing external fat?



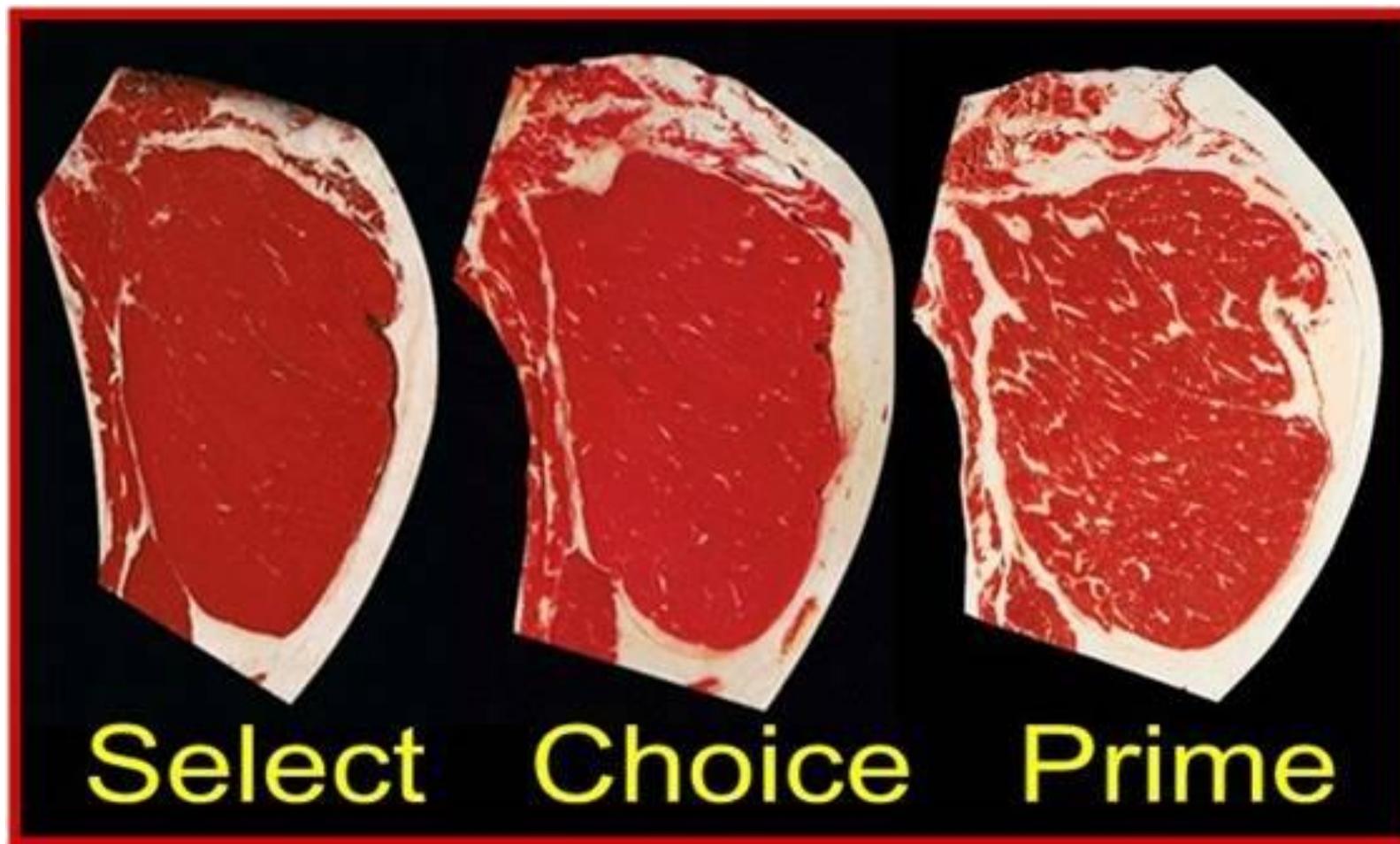


Source: Pritchard SDSU, personal communication

Modeled data

| <u>YG</u> | <u>DOF</u> | <u>F/G</u> | |
|-----------|------------|------------|----------|
| 3.0 | 159 | 6.42 | } 13.38! |
| 4.0 | 170 | 6.83 | |

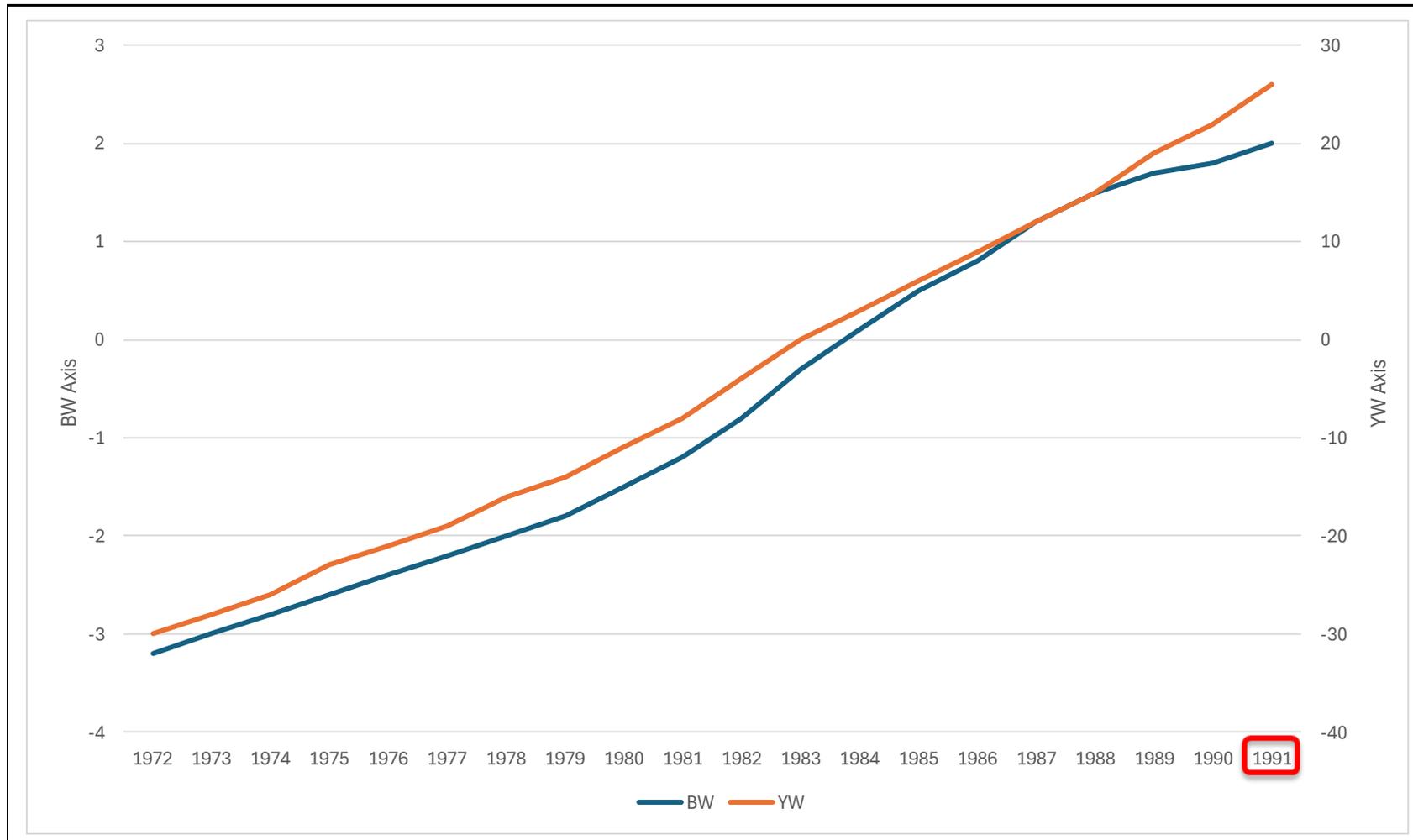
Fat is expensive



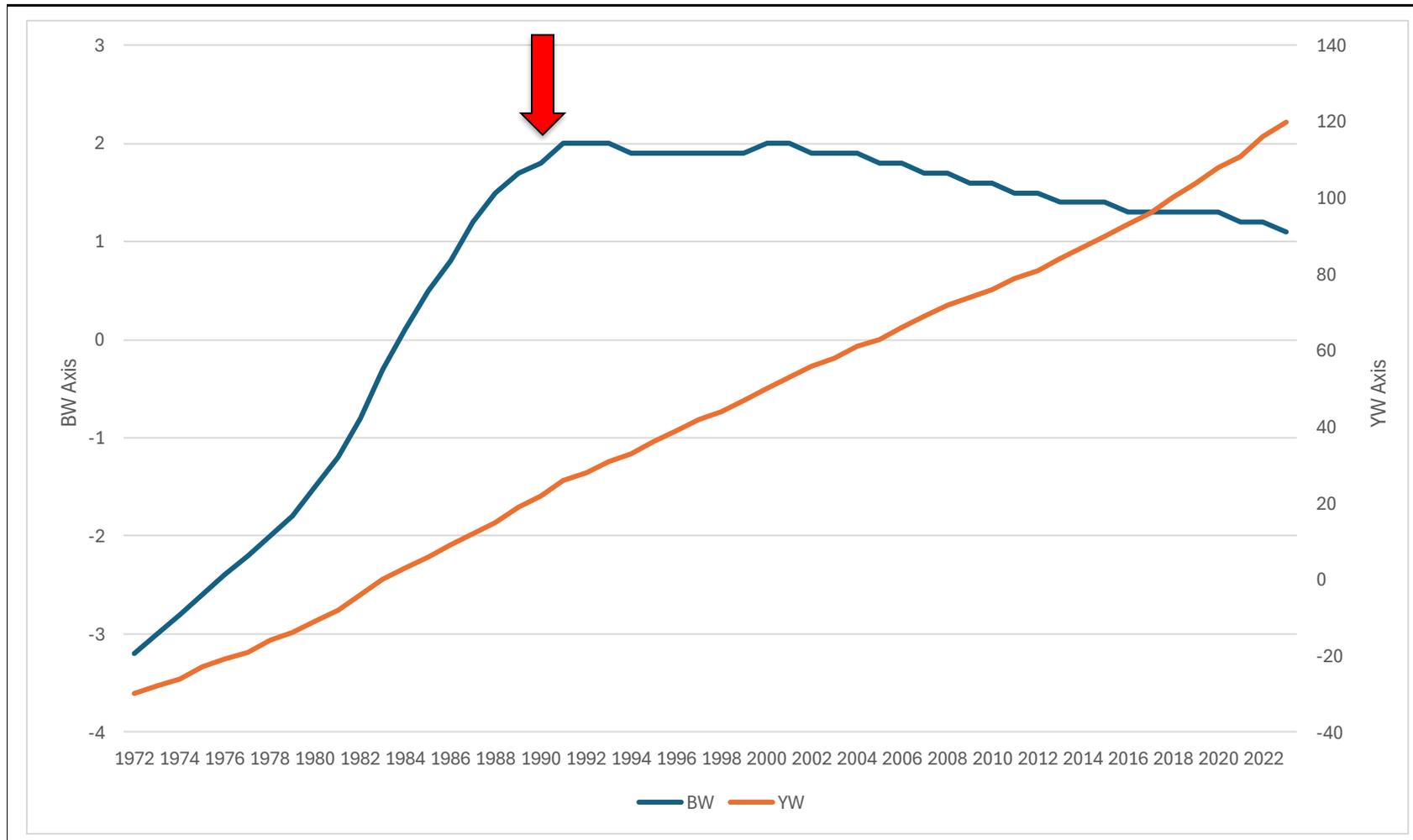
Where is most of the fat?

Can we get more marbling without getting more external fat?

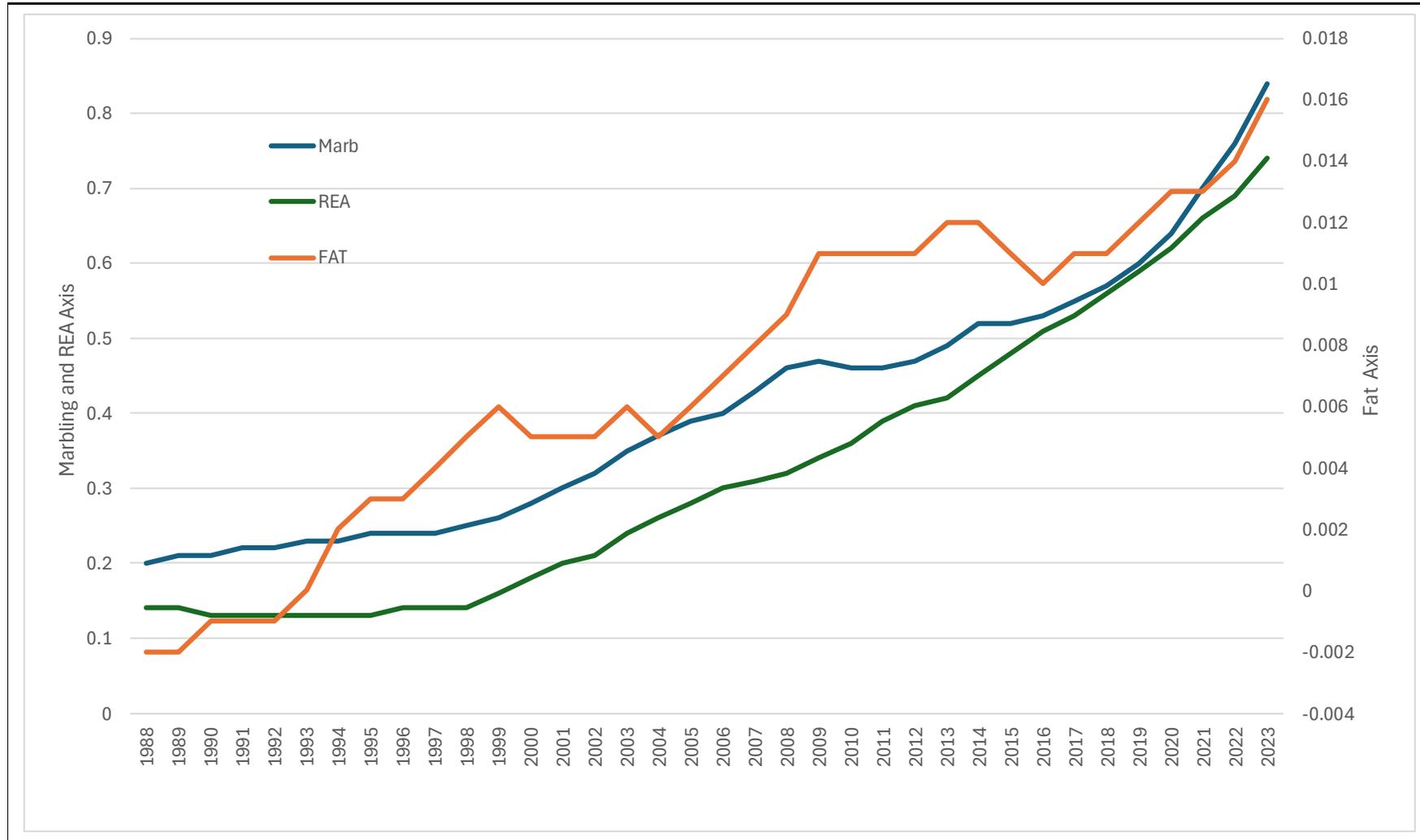
Angus Genetic Trend for Yearling weight and Birth Weight



Angus Genetic Trend for Yearling weight and Birth Weight



Angus Genetic Trend for Marbling, REA and Fat Thickness



Energy use

Corn required to change:

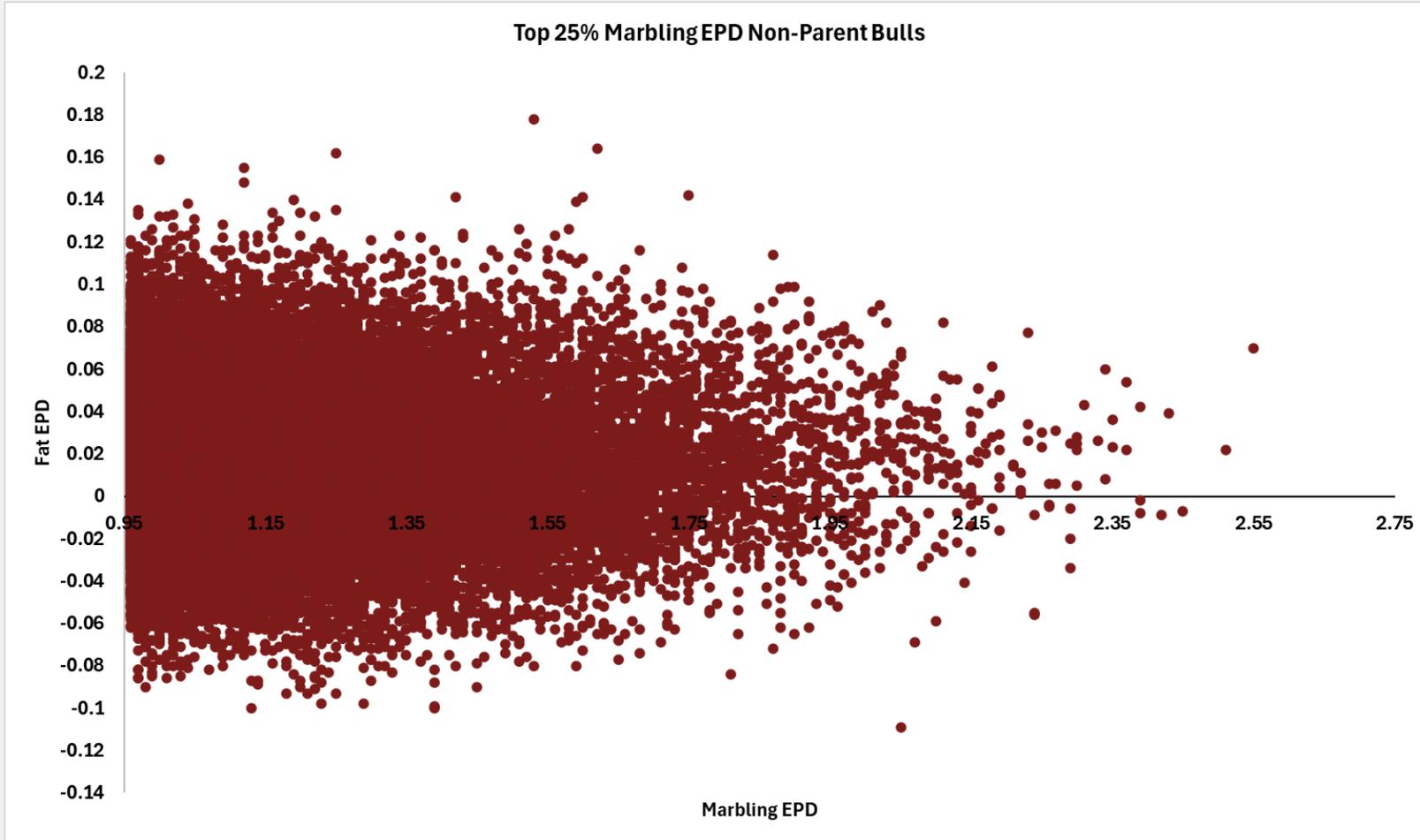
From YG 3 to YG 4 246.8 lb

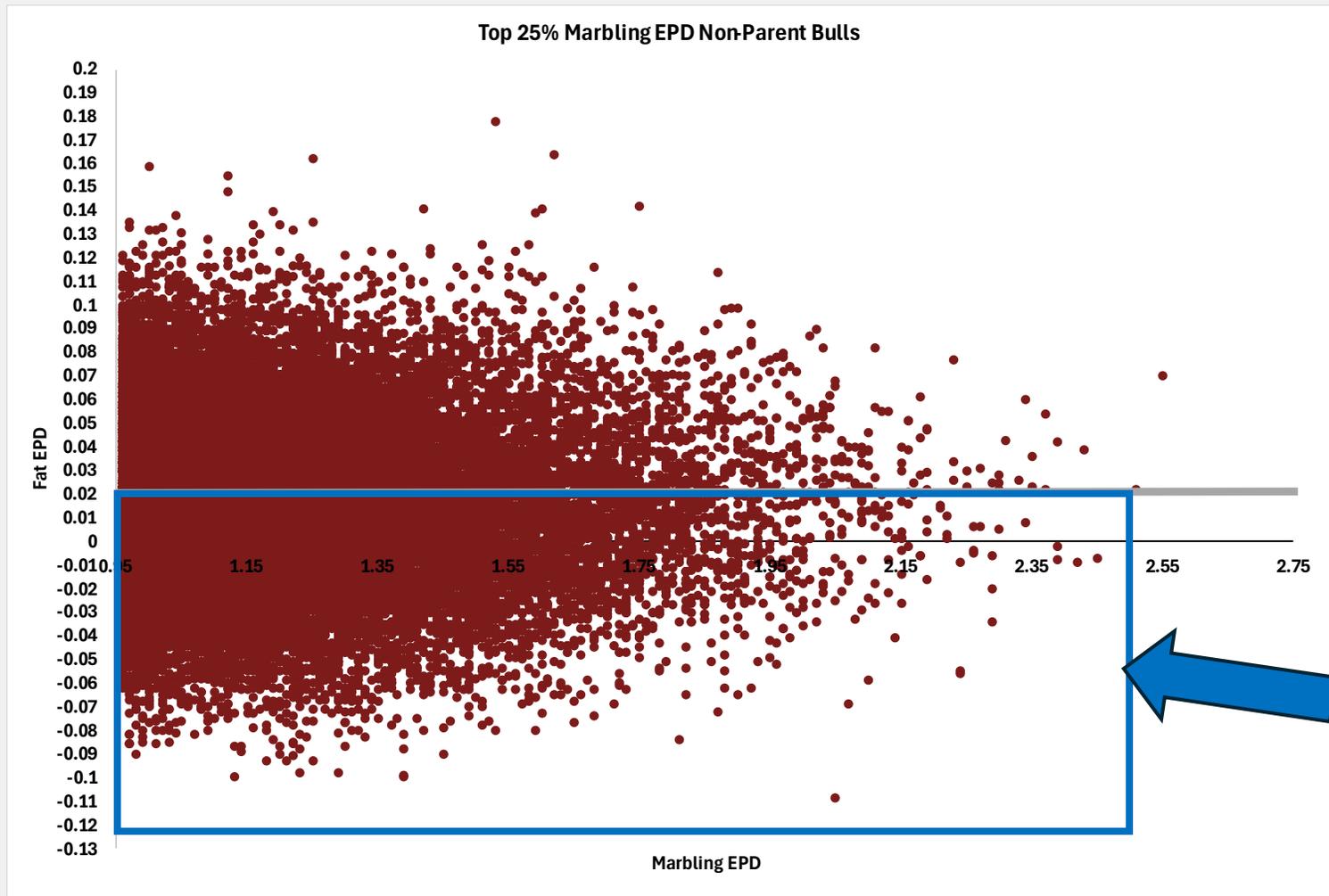
From Low Choice to Premium 13.2 lb

From Premium to Prime 26.4 lb

Can we get more marbling without more external fat?







Non-parent average

Top 25% for Marb, above breed average for Fat EPD

Summary

- As cattle grow in the feedyard most of the weight gain is carcass tissues – muscle and fat
- Early on, cattle are not fat enough to sell, as they increase in weight, they become more valuable
- If fed too long, they get too heavy and/or too fat and lose value
- As they are fed, feed intake and cost increases but increasing dressing percentage usually makes more days beneficial
- The right marketing date maximizes value over cost and uses a dynamic model to integrate both



FEEDING QUALITY
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Summary

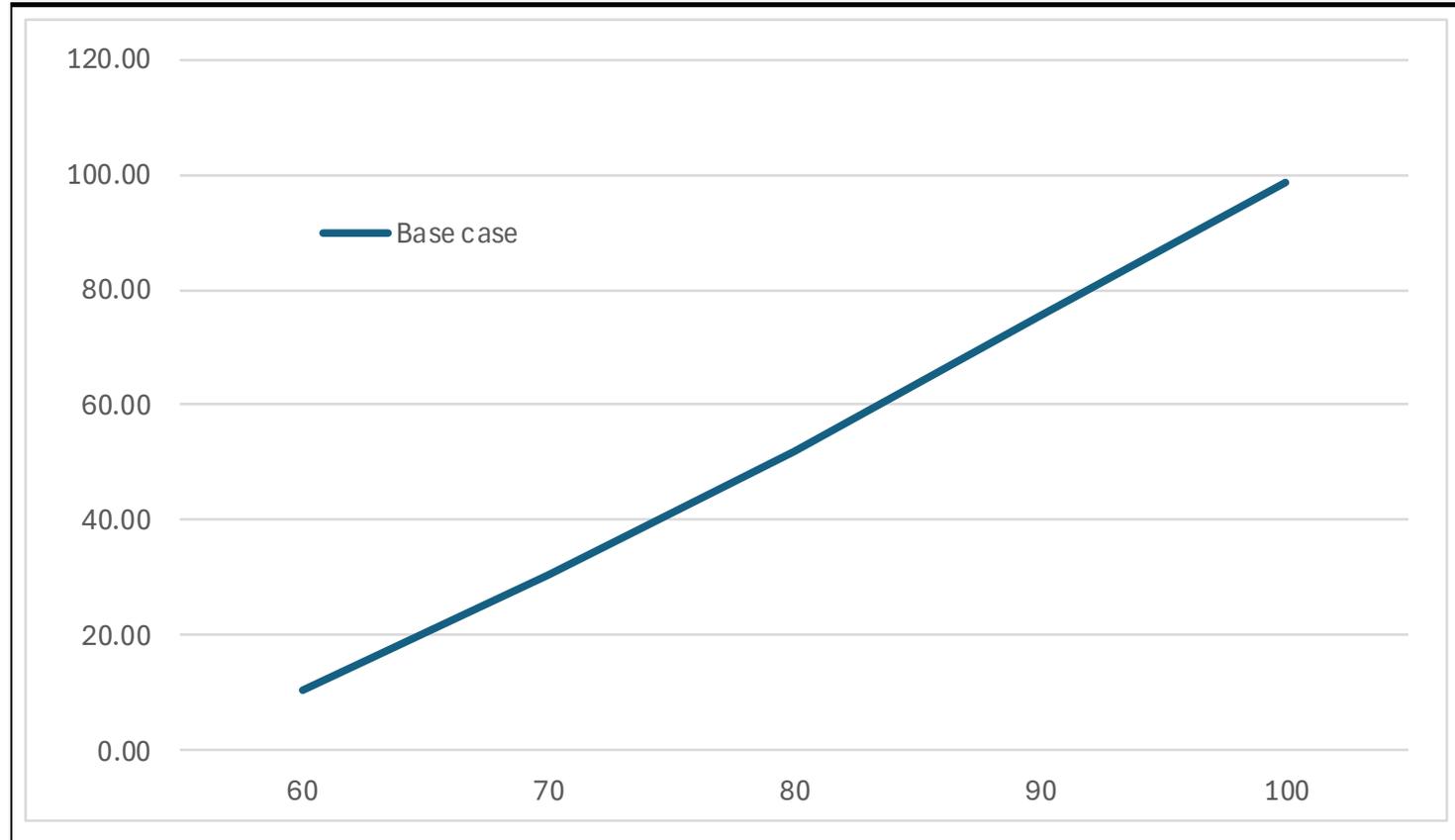
- Because of incremental dressing percentage of 80%+, late days are typically profitable for carcass sellers
 - Until discounts are incurred
 - Unless feed is very expensive
 - But likely to be less profitable than a more efficient replacement animal
- Build carcass value change models, based on a specific grid
- Consider incremental revenue and cost, compared to the swap opportunity
 - Profitability per head space compared to per head
- Your business partner will have input, too



Thank you!

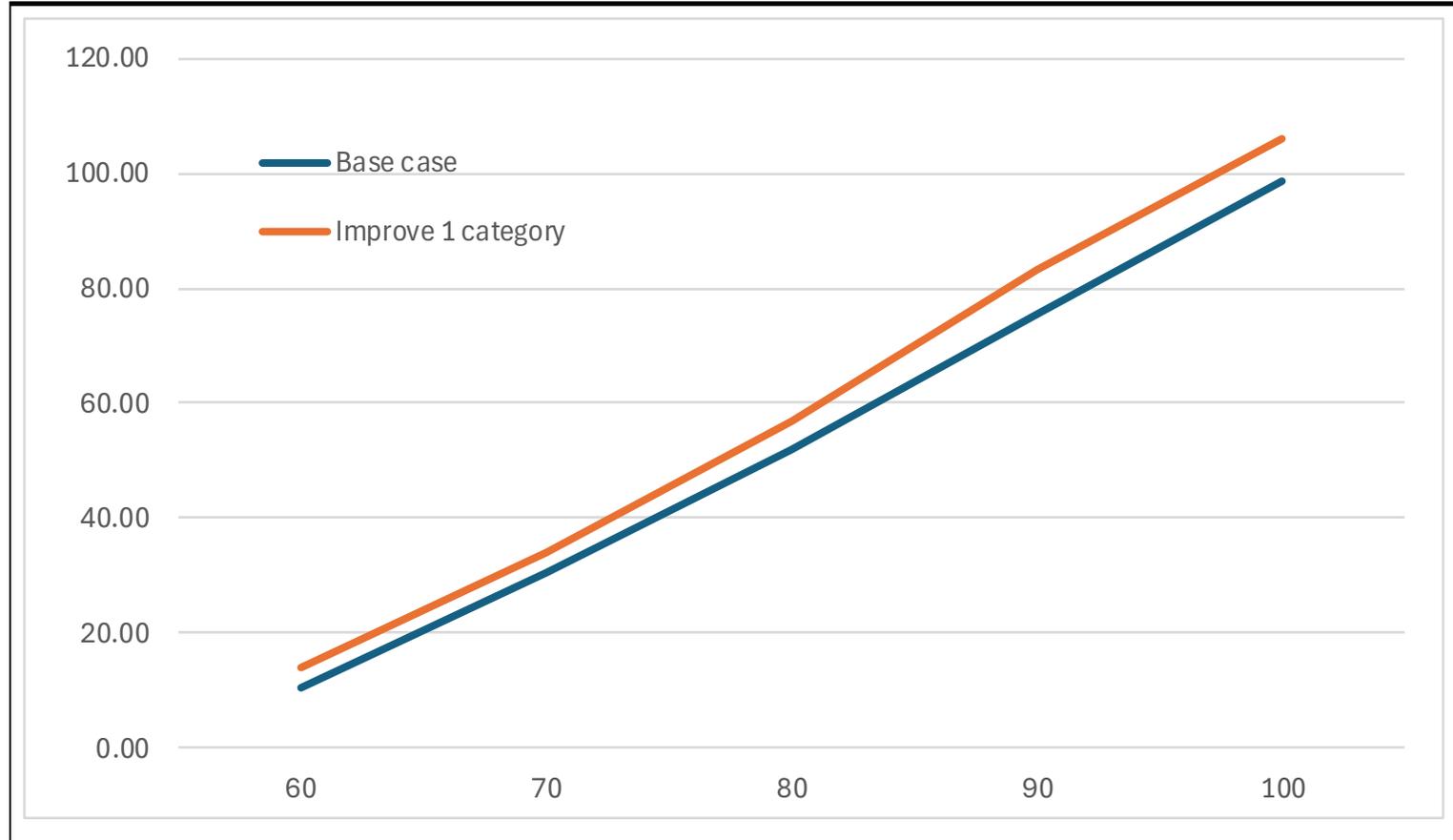


Combined premiums (\$/head) by percentage Choice With improved YG profile



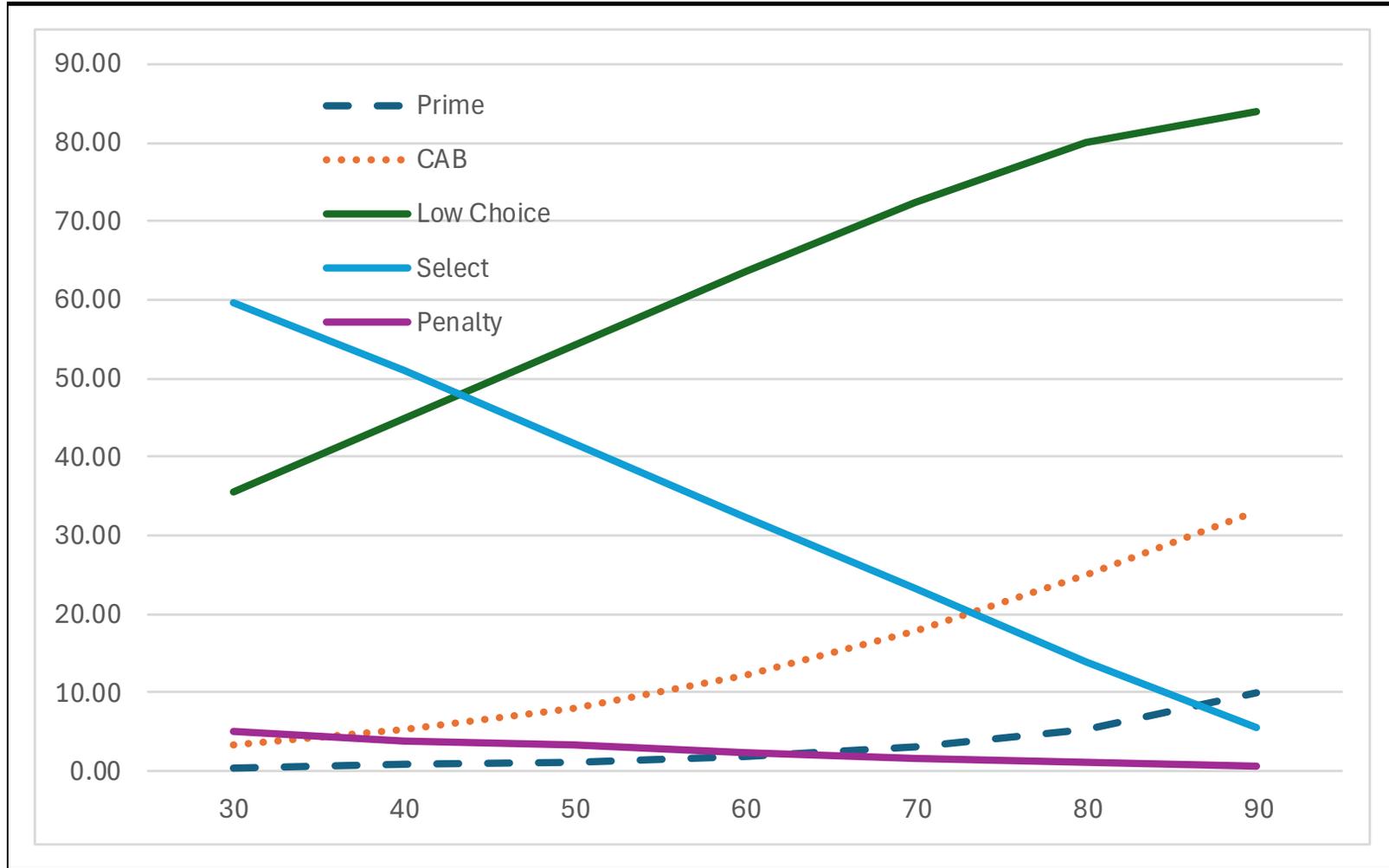
Calculated using data provided by Elanco Knowledge Solutions

Combined premiums (\$/head) by percentage Choice With improved YG profile



Calculated using data provided by Elanco Knowledge Solutions

Quality Grade Incidence in Percentage Choice+ categories Benchmark data 2019-2023



Data courtesy of Elanco Knowledge Solutions