

Show-Me-Select Heifer Sale Dates Set

Calf prices could be higher next year.

COLUMBIA, MO.

Auction prices for replacement heifers could be strong this fall—but low compared to what bred heifers might be worth a year from now.

Recent fed-cattle prices have rallied. Choice calves from Kansas feed yards topped \$1.20 a pound this week, says Scott Brown, University of Missouri beef economist.

Those fed-cattle prices strengthen potential value for bred heifers to be sold in four Show-Me-Select Replacement Heifer sales in November and December.

A better indicator of the heifers' potential value as they mature is the futures market, Brown says. A recent close for a December 2012 futures contract was \$1.29.

"That could be a very conservative price a year from now," he says. "Given current beef outlook, it would not be unexpected to see fed cattle unduly higher in late 2012.

"Part of me wants to say cattle could be a buck fifty, but predicting that is kinda scary," Brown adds. "We saw a run-up in corn prices we never expected to see. But the supply was short and the demand was strong."

That's similar to what has developed on the cattle side. "There's a shrinking supply of calves and increasing demand for beef," Brown said. "Also, there is growing international demand, with several new trade agreements coming. The impact of the drought in the Southwest continues to shrink the cow herd."

As the U.S. economy recovers, domestic demand will grow, he says. "These are very positive signs for future beef prices."

Economist Brown lists the risks: "The general economy could collapse. The dollar could strengthen, slowing international trade. Or beef demand could cool. None of these seem very likely."

Heifers offered in the four Show-Me Select

sales this fall are bred to calve next spring, mainly February and March. Those heifers' calves will go to market next fall—under the influence of that December 2012 futures price that Brown is watching.

David Patterson, MU Extension beef specialist, says Show-Me-Select heifers grow in value each year.

"Repeat buyers at the auctions bid more as they learn the value of heifers enrolled in the Show-Me-Select program," Patterson says.

One requirement is that the heifers be bred to calving-ease bulls. That greatly reduces the death loss of calves—and of heifers.

In addition, sires also have high-accuracy EPDs (expected progeny differences) for other traits such as weaning weight, yearling weight and carcass quality.

As the program continues, more heifers in farm herds will carry superior genetics, in addition to being bred to high-accuracy, proven sires.

"Calves carrying stacked genetics, called Tier Two, have more potential value as breeding stock or as steers in the feed yards," Patterson said.

"One change we've seen is increased demand from feed yards for Missouri calves developed by what the Kansas buyers call 'The Missouri Recipe,'" he said.

The fall sales are once a week for four weeks:

- Nov. 18, 7 p.m., Joplin Regional Stockyards, Carthage, Mo. Contact: Eldon Cole, 417-466-3102.

- Nov. 26, 11 a.m., Kingsville (Mo.) Livestock Auction. Contact: David Hoffman, 816-380-8460.

- Dec. 3, 1 p.m., Fruitland (Mo.) Livestock Auction. Contact: Roger Eakins, 573-243-3581, or Kendra Graham, 573-224-5600, ext. 8.

- Dec. 10, 12:30 p.m., F&T Livestock Market, Palmyra, Mo. Contact: Al Kennett, 573-985-3911.

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