

STOCKER OPERATOR PANEL

Dr. Richard A. "Dick" Daugherty, D.V.M.

Louisville, Tennessee

I graduated from UT in Animal Science in 1966 with Meats Team and Livestock Team experience, for which I am forever grateful. I finished vet school at Auburn University in 1970, for which I am equally grateful. I worked 2 years in Iowa and Nebraska checking beef for the U.S. Army just as IBP was bringing on boneless boxed beef. I established and operated a mixed practice in Alcoa for 35 years. Our family, consisting of my wife Martha, two sons (Andy & Thomas), a wonderful daughter in law (Allison), and an active grandson Drew, lives on a Century farm where we have fed and backgrounded cattle forever. From 1982 until 2001, we partnered with an order buyer in a backgrounding operation. He bought 600 to 700 pound heifers and heiferettes from 4 sales each week. We kept them about 60 days on self feeders limited fed with salt. I fed and cared for the cattle, while he took care of the buying and marketing. All cattle were shipped to a custom feedlot for finishing. Until 1996, we broke even or made a profit on each group. The cattle were sold live at the feedlot. We lost money in August 1996, and 2001 following 9-11. The cattle were financed by the feedlot, and on one occasion we had to send money after the cattle were sold to cover the loan on the cattle and feed bill. This greatly lessened my interest in retained ownership. We currently run about 3 loads of stocker heifers per year. We buy heifers weighing 450 to 500 pounds and market them weighing 750 pounds on video with the East Tennessee Livestock Center. They are weighed at our place with a 2% pencil shrink. We try to make maximum use of our grass, but supplement with limited commodity feeds, mostly corn gluten and soyhulls mixed at our place. In the past, we sold bred heifers which had been purchased, managed and bred at our place. We stumbled into the cow-calf business 3 or 4 years ago and enjoy that segment of the industry also. The calves from those cows are marketed in preconditioned sales at the East Tennessee Livestock Center at Sweetwater, Tennessee. We host a Farm Day for about 500 4th graders each September to try to put them in touch with farming and from where their food comes.

Bill McKinnon

Christiansburg, Virginia

McKinnon backgrounds Holstein steers weighing 300-400 pounds beginning in November. He puts 300 pounds on the calves from November through mid-April using hay and grain by-products. He tries to capture the upward price movement going from late Fall into Spring. McKinnon has chosen to background Holsteins mainly because of time requirements. The Holsteins he purchases are already weaned, have less respiratory disease risk, and incoming management is not as intensive as for beef calves. Also, Holsteins are very docile and easy to handle. There are some risks working with Holsteins rather than beef steers. The Holsteins are less feed efficient than beef steers and in the lighter weight animals there is the risk of coccidiosis. Prices and basis are less predictable for Holsteins and there are fewer marketing opportunities. When faced with higher grain prices McKinnon has three areas they will evaluate when making a decision 1) they will try to get a better handle on Holstein basis and discount to beef steers, 2) they will take a look at beef steer economics to see if it would be advantageous to change from the Holsteins, and 3) they will evaluate the anticipated value of the extra gain versus the cost of the gain.