



Price Premiums of the 2010 Oklahoma Quality Beef Network

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The Oklahoma Quality Beef Network (OQBN) is a brand-neutral, third-party health management certification program (commonly known as a VAC-45 program) for preconditioning calves that began in 2001 as a collaborative effort between the Oklahoma Cattlemen's Association and the Oklahoma Cooperative Extension Service. OQBN certified calves are eligible to sell in OQBN-hosted certified preconditioned cattle auctions at participating livestock markets across the state. Preconditioning on the ranch for feeder cattle typically includes administering vaccinations, castrating, dehorning and weaning a minimum of 45 days before marketing, along with other common management practices. Research shows that preconditioning boosts the immune system of calves and their performance after they leave the ranch, creating incentives for stocker operators and feedlots to pay premiums for preconditioned calves (Dhuyvetter, 2003; Roerber et al., 2001). OQBN's preconditioning protocol and enrollment forms, along with other information about the program, can be found at <http://www.oqbn.okstate.edu>. This fact sheet summarizes

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research conducted at OSU to establish the magnitude of price premiums for 2010 OQBN certified calf sales (Williams, 2011).

Data

Data were recorded at 16 feeder cattle auctions in seven different locations across the state of Oklahoma from October 27, 2010 through December 13, 2010. The data include 2,973 lots of cattle representing 25,839 head of cattle. OQBN cattle were sold at eight of those sales and account for 833 lots (28.02%) and 7,332 head (28.38%) of those totals. Data collected for each lot include sale price, lot size, average weight per calf, hide color, gender, condition (fleshiness), frame score, uniformity, health, horned status, muscle score, fill, vaccinations, weaning, preconditioning certification, age and source certification, sale location and source (seller name) announced. The weekly average price for a 750-pound steer (Medium and Large #1) from the Oklahoma City market is used as a base market price (AMS-USDA, Report KO_LS155). Feeder cattle weight ranges are limited to 300-799 pounds as few cattle outside that range are enrolled in OQBN.

Table 1 shows a summary of OQBN sale data, including average lot size, average calf weight, average price per cwt by OQBN and non-OQBN calves at different sale scenarios. Note that the average calf weight for OQBN calves is higher than for non-OQBN calves at both OQBN and non-OQBN sales. The same is true for average lot size and, of particular interest, average price per cwt. One advantage of preconditioning programs beyond the health impact is the additional pounds sold at marketing since calves are held on the ranch for at least 45 days beyond weaning.

Table 1. Averages from fall 2010 sales at OQBN sale sites.

	All Calves	OQBN Calves at OQBN Sales	Non-OQBN Calves at OQBN Sales	Non-OQBN Calves at Non-OQBN Sales
Average Number of Head in Lot	7.51	8.82	7.17	6.90
Average Calf Weight	529.14	542.70	509.29	534.50
Average Price Per Cwt	\$113.79	\$118.33	\$110.74	\$112.99

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Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

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