

FEEDER CATTLE MARKETING

THE HOLY GRAIL.....VALUE ADDED

JIM AKERS, COO

BLUE GRASS LIVESTOCK MARKETING

WHAT IS VALUE ADDED MARKETING?

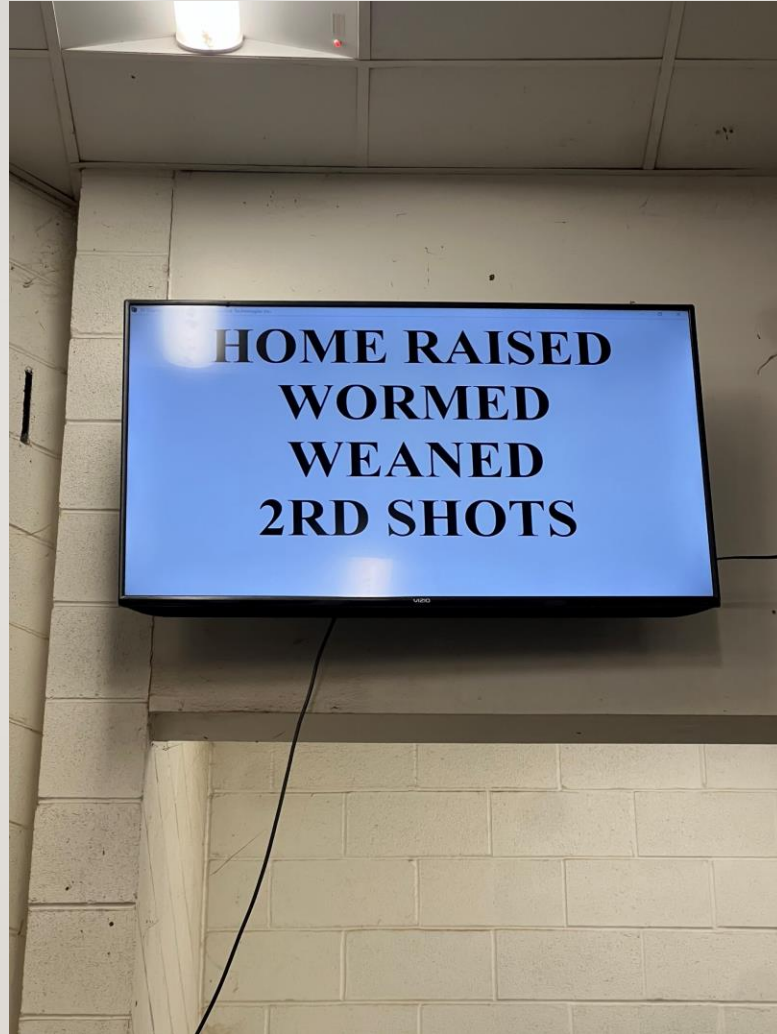
- On a basic level its about avoiding obvious and well documented discounts
- For the people here its about identifying and satisfying the demands of a niche market and communicating the potential value to the right players in the market
- The demands of the value added marketplace are changing at a higher rate today than at any point in history



WHAT IS THAT BRIGHT LIGHT AND HOW CAN I TOUCH IT??

- You can't until you open all the doors on the way to the end
- What is behind those doors
- It's a 2 step process
- STEP 1- Avoid the basic discounts that have plagued our industry for decades
- Right Kind
- Consistency
- Weaned...60+ days
- Vaccinated....Real Program
- Dewormed
- Dehorned
- Castrated
- Open
- Bunk Broke
- Condition/Fill

COMMUNICATE
THE VALUE



STEP 2 – IDENTIFY AND SATISFY A DEMAND IN THE MARKET

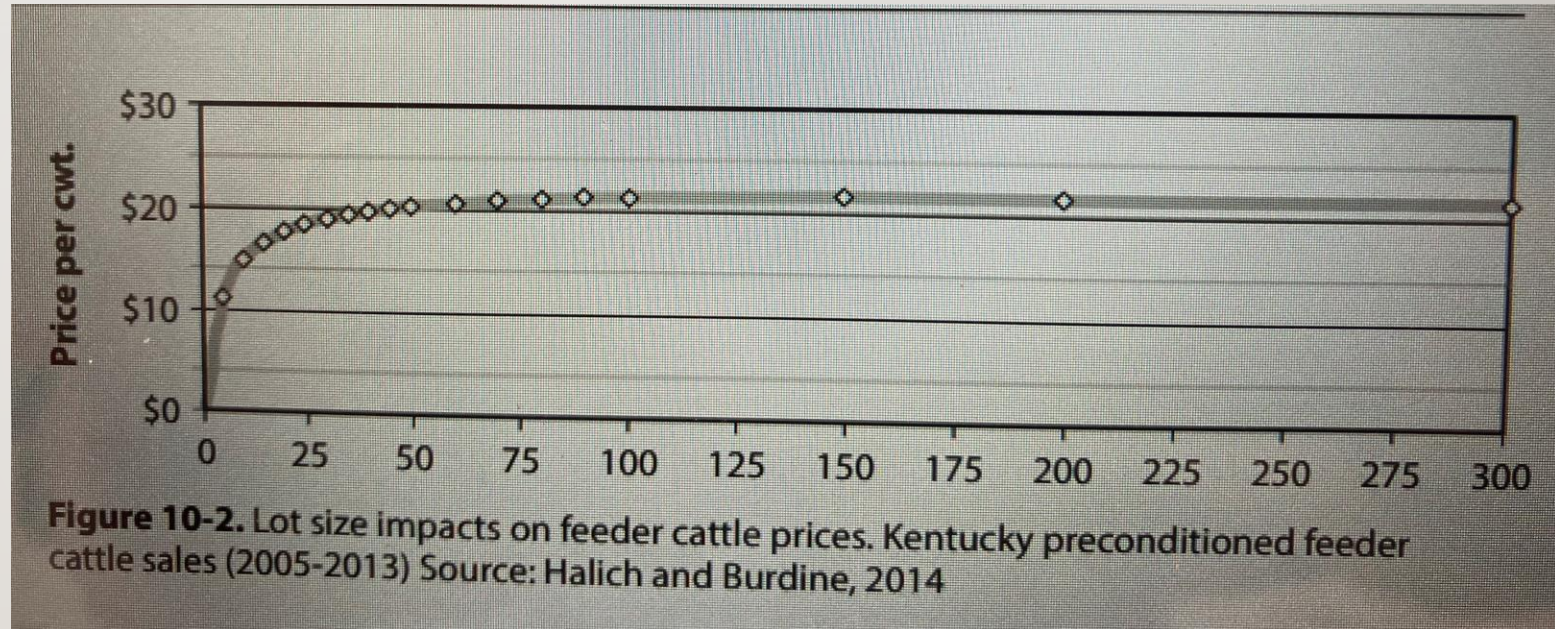
- Choose a marketing partner that understands the language
- Lot Size
- USDA Requirements
- BVD PI Neg
- Source and Age
- NHTC
- NE3
- GAP
- Genetic Verification
- Proven Performance/Repeat Buyers

CHARACTERISTICS OF PRODUCERS SELLING ON THE TOP OF THE MARKET

- Sell big calves or yearlings 650+
- Invest in genetics
- Tight calving window
- Have a very consistent/young cow herd
- Market larger groups
- Understand what the market wants and try to provide it.....Condition, timing
- Work hard to communicate the value of their cattle and are open to sharing information

WHAT IS THE SINGLE MOST INFLUENTIAL DETERMINER OF PRICE???

- Size of the group sold



- So how do I sell big groups if I don't have big numbers?



PROGRAMS

- Alliances – Giles Co.Alliance
- Breed Marketing Programs – KHA Hereford Influence Sale, Charolais Assc. Feeder Sale, Profit Thru Performance, Boyd/Myers Feeder Program, Traditions Hereford Sale
- Partner with someone who understands what the market wants and where your cattle fit

- It takes a dedicated leader, communication, cooperation, coordination.....Its hard work like the other aspects of your management

SUMMARY

- Getting top prices is a journey
- You should work as hard at marketing as you do producing
- You can't climb a ladder without touching every rung

- Jim Akers

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