



Dr. Colin Palmer

Biography:

Dr. Colin Palmer is an Associate Professor of Theriogenology (Animal Reproduction) at the Western College of Veterinary Medicine. Originally from Nova Scotia, Dr. Palmer worked in mixed practices in Ontario and British Columbia and has owned/operated a practice in Saskatchewan. Dr. Palmer along with his wife Kim and children Lauren, Emily and Carter run a herd of purebred Red Angus cattle under the KC Cattle Co. name.

Preparing for a Bright Future in the Beef Industry

I know we have all been hearing that good times are just around the corner for the beef industry, for what seems like forever. This time, however, I really believe good times are going to be here as soon as this fall and definitely, next year. Steer and heifer prices are already looking good as are cull cow and butcher bulls. Our national cow herd has shrunk to what it was in the early 1970's and there is some concern that we may not be able to meet domestic demand. A few weeks ago, I read that MacDonalDs was going to pressure the Canadian government into relaxing import restrictions on Brazilian beef, as they were concerned that there were not enough cows in Canada to satisfy their needs. Perhaps we should take the time to write to our government officials to remind them not to cave-in to these interest groups 'cause we really need to set a new record peak in our beef cycle if we are to have any hope of recouping the equity that was lost; and, of course, so that they can recover those tax dollars used to support our industry.

Just recently we signed a lucrative trade deal with China. New, or re-newed, export deals for our products are key to our economic success and our industry's future. A free market industry like ours is driven by the basic economic forces of

supply and demand. Supply is already tight, so with economic improvement, we should see increased demand for our product; barring any anti-beef media campaigns or other disasters. I think the more trade deals we can establish the better. We produce a high quality safe, beef product typically in volumes that our domestic market cannot handle. Foreign markets were the key to our industry's success in the immediate pre-BSE era and are key to our future.

For many of us in the purebred cattle business the retraction of the industry has finally caught up with us even though we are on the cusp of a turn-around in our industry. Fewer cows simply means fewer bulls needed. Too many bulls on the market in relation to the demand, therefore, price suffers. Our little operation had its toughest year ever for bull sales. Yeah, others have told me that it is a good thing that I have an off-farm income, but I have got to tell you that vets servicing beef producers have felt the pinch too. Most are reporting that over 80% of their practice revenue comes from serving the pet-owning sector. For many cow vets, that's the same as taking an off-farm job to support the farm. Many are wondering why they continue to offer large animal services and are only sticking it out because of a love for the cattle industry and their own sense of obligation to cattle producers and their communities. The only growth areas in beef cow-calf practice have been pregnancy checking and bull semen testing. Examining and treating individual animals has declined substantially in

keeping with their apparent value.

What should we purebred producers do to prepare for what I think will be a bright future? Most of us love cattle and it just really isn't one of those industries you can jump in and out of. So I guess we better learn from the hard times and make the best of the good times. I think there will be stronger demand for breeding bulls in 2011 and it will continue to improve in coming years. Interest in replacement females is already increasing and they will need bulls. Lessons I have learned and will hopefully adhere to is to offer only the kind of breeding stock cattlemen want. Any less than that hurts my reputation and lessens the value of the good cattle. I thought I had learned that one before but as our industry changes, so does the type of bulls our commercial producers demand. I have spent quite a bit of time going to other producers' bull sales and learning what buyers like and don't. Bulls that don't fit the bill will end up in a cooler and will not be offered for sale. Keeping bulls until they are two years old and selling them for little more than yearling price is not profitable and if you don't believe me, start thinking about the ones lost to fighting injuries and failed semen tests. If you are getting well paid for your two year old bulls, then good on ya!

Remember the supply and demand thing... if we all offered fewer bulls, then

our price per unit should increase. I think that commercial cattlemen should confidently spend four to five times, or more, the value a six weight steer calf for a yearling bull, bearing in mind that in times of expansion daughters of that bull could easily make up a large part of his herd within three to four years. Calves from genetically poor animals represent a huge loss in potential profit. So as they say... "Only a rich man can afford a cheap bull." If you are a commercial producer, take a bit of time to look at what others are raising and what they are getting paid for their animals and adjust your program accordingly.

My cull cow list has been made up since the spring and includes one or two that should have regular foot trims and a couple that have not been able to produce a replacement-quality animal despite two or three attempts. Sure they are papered cows, but the commercial cattleman doesn't want those kinds of cows either. A good cow eats just about the same amount of feed as a poor cow. I have had some very good visits from cattlemen to view my cattle this year and hope to have a few more. I must say that getting up the nerve to ask them what they don't like about your cattle, especially your favourites, is akin to asking your spouse what they don't like about you. Kinda gets you all queasy inside and well, the response is thought provoking to say the least but in the end though, most would say it was a good thing to do. Culling is sure a lot easier when prices are good. They all gotta go sometime, so we may as well borrow from the other economic lesson called "By low, sell high." I believe that in the end a better cow herd will come from the tough lessons we have learned.