

Cattle Marketing Decisions

File B2-35

Reduced availability of feed and forage has some livestock producers making decisions now they hadn't originally planned on for their livestock. Two Decision Tool calculators have been developed to aid in decisions regarding the sale and repurchase of cattle.

The first Decision Tool, [Cow Sell Calculator](http://www.extension.iastate.edu/agdm/livestock/xls/b2-35cowsellcalculator.xlsx), www.extension.iastate.edu/agdm/livestock/xls/b2-35cowsellcalculator.xlsx, compares opportunities for marketing cows now or incurring additional costs to target other (later) markets. It evaluates alternative sale and cost scenarios and estimates the value of targeting other (later) markets. The approach used calculates the value per animal or other assets to generate the same revenue as a sale at an earlier date.

The second Decision Tool, [Cow Repurchase Calculator](http://www.extension.iastate.edu/agdm/livestock/xls/b2-35cowrepurchasecalculator.xlsx), www.extension.iastate.edu/agdm/livestock/xls/b2-35cowrepurchasecalculator.xlsx,

estimates the costs saved and interest earned on sale proceeds between sale and repurchase date. It evaluates alternative sale, repurchase, and cost scenarios and determines the amount that could be paid for replacement animals. The approach used calculates the sum of interest earned on the proceeds of earlier culling and costs not incurred (e.g., feed, other, etc.) as a result of the sale. Then, the cash that could be available for repurchase, if saved and not used, includes the proceeds from the sale plus the interest earned on those proceeds.

Both Ag Decision Maker Decision Tools are available on the [Ag Decision Maker website](http://www.extension.iastate.edu/agdm/livestock/html/b2-35.html), www.extension.iastate.edu/agdm/livestock/html/b2-35.html. Visit the Center for Agricultural Law and Taxation website for information on tax implications from [weather-related sales of livestock](http://www.calt.iastate.edu/article/weather-related-sales-of-livestock), www.calt.iastate.edu/article/weather-related-sales-of-livestock.

Cow Sell Calculator			
Ag Decision Maker -- Iowa State University Extension and Outreach			
Place cursor over cells with red triangles to read comments.			
Enter input values in yellow grid-lined cells.			
Net Revenue From Immediate Sale			
A. Cow and Calf Sales - Early Date (m/d/yyyy)	8/1/2023	8/1/2023	8/1/2023
1. Number of raised cows to sell (head)	40	40	40
2. Number of purchased cows to sell (head)	0	0	0
3. Number of calves to sell (head)	0	0	0
<i>If selling pairs, separate total sales into cows (line 2) and calves (line 3).</i>			
B. Net Sales Value Per Head - Early Date			
1. Net sales value for cows (\$ per head)	\$1,000	\$1,000	\$1,000
2. Net sales value for calves (\$ per head)	\$600	\$600	\$600
C. Net Revenue Per Head			
1. Total net cow sales revenue - early date (\$) = A × B	\$40,000	\$40,000	\$40,000
2. Total net calf sales revenue - early date (\$) = A × B	\$0	\$0	\$0
D. Net Sales Value Of Other Assets That Can Be Sold (\$)	\$0	\$0	\$0
E. Total Net Revenue From Immediate Sale	\$40,000	\$40,000	\$40,000
Income And Expenses Associated With Later Sale			
F. Later Sale Date (m/d/yyyy)	9/1/2023	10/1/2023	11/1/2023
Days between sale dates: days	31	61	92
G. Cow And Calf Sales - Later Date			

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