

Are you realising the best possible price for your cows and calves?

Tips for top dairy stock prices

We spoke to some leading auctioneers to find out why dairy stock prices – for culls, cows, freshly calved heifers and calves – are holding firm. And they offer some pointers on commanding strong prices in the sale ring.

text Rachael Porter

There's some good news for dairy producers after a tough summer. Business at the livestock markets, particularly on the dairy side, is booming and these auctions are key to maximising returns on stock. Whether you're selling dairy heifers, milking cows, or culls, prices are strong, according to Bagshaw's Staffordshire-based pedigree dairy auctioneer Meg Elliott.

"Buoyant dairy cattle prices have played a key role in helping some dairy businesses to weather the milk-price storm during the summer," she says. "And dairy stock is set to continue commanding strong prices through livestock auction markets this autumn."

"Best-end stock prices are still very good and I can't see them easing. If prices do fall, it will be down to the quality of cattle in the sale ring," she says.

So strong prices are providing producers with a vital source of income as costs of production continue to soar.

Strong demand

A recent sale at Leek Market saw a top price for a freshly calved heifer of £2,600 and the average price for the top 10 sold was £2,000. "The best-end second-quality heifers are selling for around £1,900. There's plenty of demand for dairy stock, providing the quality is right," says Mrs Elliott.

And, because demand is set to continue to outstrip supply, with a significant contributory factor being the continuing reductions in stock numbers from TB, both she and the Livestock Auction Association (LAA) expect prices to remain firm for the time being.

"Livestock markets are doing everything they can to make sure that producers see a fair return for their dairy stock. We're attracting lots of keen buyers and making sure that they have access to plenty of information about what's available to buy."

"Commercial bulling heifers have been fetching in the region of £1,000 and pedigree heifers, with more information available than just a date of birth, have been commanding considerably more," says Mrs Elliott.

Producers can help to maximise the price they realise for surplus heifers by presenting them to market with a bit more strength and power.

"Those that command the highest prices are between 2.5 and three years old – a little older than you'd calve them down if you were keeping them as replacements."

"And those giving more than 25kg a day will always sell well. Heifers producing less than 25kg don't do so well in the ring."

Mrs Elliot adds that pedigree certificates, NMR records (production figures, somatic cells counts and disease test results), and using strong and popular sires all help to maximise heifer prices too.

"Sell them freshly calved too – one or two weeks after calving," adds Mrs Elliot. "Above all, try to think like a buyer – think about the kind of heifer you'd like to buy and what you'd like to see in the ring and the information that you'd like to have."

Young heifers, three to four week old calves, are also selling well at the moment and realising between

£250 and £440 a head. Those from pedigree herd dispersals are reaching closer to £600 each, with heifers between six and seven months old selling for up to £850 a head.

Tip-top condition

"Many vendors actually breed dairy stock with prospective buyers in mind. They keep an eye on the markets and know, for example, which sires are popular and that their daughters are selling well," adds Mrs Elliot. "They also make sure the heifers enter the ring in tip-top condition – that's essential. The best pedigree is worth nothing if the calf in the ring doesn't look strong and healthy."

Dairy cow prices also remain strong, just as they've been for the past three years.

"They fell at the end of April due to the drop in milk price, but they've rallied since and are holding well. This is despite the milk-price uncertainty during the summer and the wet weather in June and July."

The LAA's chairman elect and managing director of Hexham and Northern Marts Robert Addison adds that there's some optimism out there at the moment. "Feed prices may be causing some problems, but better milk prices are fuelling demand for cows – trade is up."

Cull cow prices are close to the record levels seen during the summer and look set to continue. "We've not seen them this high for 10 years and producers can expect to see more than £1,000 for a top quality cull cow."

"So it's usually worth getting culls into the best possible condition before bringing them to market. You should see a return on feed investment. There should be a decent margin," Mr Addison says. He also says that even second-quality culls are selling for between £500 and £700 a head.

"I recommend that producers go along to their local auction market and take a look for themselves and make a decision on how to manage their culls based on what they see. Things are not set to change too much for the foreseeable future."

Auctioneers expect dairy cull prices to hold firm for at least the next three months or so.

A similar picture is seen in the south west. "Dairy culls have performed well in the sale ring, with 2011 breaking all previous price records, and this has continued through the first half of 2012 and into late summer," says Symonds & Sampson auctioneer Mark Northcott, from Frome-based Premier Livestock Auctions. Top prices, for the best black-and-white cattle, are still exceeding £1.40/kg LW on a typical market day and because demand is set to continue to outstrip supply, the LAA and Mr Northcott expect prices to remain this high.

"I don't see prices for barren cows changing a great deal during the next six months. Trade really is remarkably strong and that's good news for dairy producers."

Eager buyers

Moving to Wales, Carmarthen-based auctioneer Huw Evans, who works at the Carmarthen Livestock Centre, says he's also seeing impressive prices for cull cows in the sale ring.

"Many cows are reaching four figures – black-and-white culls are regularly reaching more than £1,100 a head. The average price is between £800 and £1,000. And we're seeing plenty of them at market – between 80 and 150 a week is typical. That said, the supply is still considered to be short – that's why prices are so strong," he says.

"There are many buyers competing to buy cull cows at market. And that's another reason why even a relatively poor looking cow can still fetch more than £600."

"There's an abundance of buyers eager to pay a good price for quality cattle." |

