Ag Decision Maker

File B2-35
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www.extension.iastate.edu/agdm

Cattle Marketing Decisions

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 spreadsheet, cow sell calculator, 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 spreadsheet, cow repurchase calculator, 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, www.extension.iastate.edu/agdm/livestock/xls/b2-35cowrepurchasecalculator.xlsx, www.extension.iastate.edu/agdm/livestock/xls/b2-35cowsellcalculator.xlsx. See Ag Decision Maker Information File C4-28 for information on tax implications from weather-related sales of livestock, www.extension.iastate.edu/agdm/wholefarm/html/c4-28.html.

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