

IMPACT



University of Idaho
Cooperative
Extension System

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Clearwater Valley Beef Alliance Provides Marketing Alternatives for Beef Producers

The Situation

North Central Idaho is an isolated region that creates unique beef marketing challenges. The average beef herd size in the area is approximately fifty mother cows, which means that the majority of producers have small operations. Small operators are at a disadvantage at marketing time because they are unable to deliver the volume of calves needed to attract buyers. This hurts their chances in obtaining a fair market price for their calves.

Several research studies have shown that truckload lots of cattle demand a higher price than small groups of calves. A truckload is approximately 50,000 pounds, which would equal 100 calves weighing 500 pounds or 83 calves weighing 600 pounds.

In order to remain competitive, the smaller producers need to work together in an alliance to market their calves in load lots and to analyze marketing alternatives available for larger groups of cattle.

Our Response

To assist the producers, several organizational meetings were held and led by University of

Idaho Extension Educator, Jim Church. Marketing alternative representatives were invited to attend these meeting to discuss options. Also nutrition advisors were present. The alternatives explored were satellite video auctions, direct marketing, group marketing through the local sales yard and Internet marketing. Calf preconditioning and management practices were discussed along with breeding programs. Niche markets and branded beef programs were also analyzed. The producers that attended these meetings decided to form an alliance called the Clearwater Valley Beef Alliance also known as the CVBA.

Education and demonstrations on marketing alternatives were provided for producers. Also, information on how to form an alliance was provided along with how to sell calves together and make payments to individual ranches.

Program Outcomes

The original group was made up of seven ranches with four agreeing to work together to form the alliance. These four ranchers agreed to sell their steer calves cooperatively under the Clearwater Valley Beef Alliance name. They also agreed to vaccinate their calves identically,

wean approximately the same day, try to use similar genetics and follow the same calving season. The CVBA producer members formed a legal partnership with a single treasury to handle finances.

A settlement spreadsheet was developed to assist the alliance in distributing payments for calves sold.

In 1998 the alliance sold their calves in September with a November delivery date using the Superior Livestock Satellite Auction Market. The calves sold for a price equal to the top prices paid for calves of equal weight that were sold during September at area sale yards. In 1999 the alliance used the Superior Livestock Satellite Auction Market again and sold their calves in August with a November delivery date. Once again the price received was equal to the highest prices paid for local cattle.

In 2000 the alliance changed course and sold their calves on the Internet using the CattleinforNet.com Company. The cattle were sold in August and delivered in November. Once again the prices were very competitive to the high prices paid locally.

In 2001 the cattle were sold over the Internet in August. The price received was \$1 to \$2 per hundredweight higher than calves of equal weight sold at local auction markets. The calves were shipped in November. If the calves had sold in November when they were delivered, the producers would have received \$10 per hundredweight less than what was paid in August. The market dropped considerably due to the terrorist attacks and other factors.

The producers involved in the Clearwater Valley Beef Alliance have been very pleased with the prices received for their calves and the

feedback from buyers on the quality of calves shipped has been excellent.

As a result of this project, a publication was written called "Beef Cattle Producer Alliances." This publication outlines how to form an alliance and is available for other producers who may be interested in developing an alliance.

For More Information

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CVBA 12/01