

IMPACT

University of Idaho
Extension

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Marketing Alliance Works Well for North Central Idaho Cattle Producers

The Situation

Beef cattle producers in North Central Idaho on average own 50 mother cows, which is equal to the state average. Historically these smaller producers market their calves at local auction markets. They sell their steer and heifer calves in small groups and are at the mercy of the limited number of cattle buyers present at these local auction markets. A small group of producers started meeting together to discuss common issues of concern. This group thought that they were not receiving the true market value for their calves and wanted to look at marketing alternatives that would give them more control of their marketing program, increase exposure of their calves to more buyers and in turn increase prices received.

In order to accomplish these goals, the producers needed education on marketing options and how to form a marketing alliance which would allow them to market their cattle cooperatively.

Our Response

In 1998, the cattle producers contacted the University of Idaho, Idaho County Extension Office for help. After several educational meetings the group formed the Clearwater Valley Beef Alliance (CVBA) with a goal to market their spring born calves collectively in truck load lots. Several marketing options and calf management programs were explored. The members of the CVBA agreed to manage their calves identically, utilize similar genetics and market their calves each year

collectively. They also formed a legal partnership in which each member was an equal partner and elected a treasurer.

Two loads of calves were sold the first year using the Superior Satellite Livestock Auction. In the subsequent years, the alliance has marketed their calves using the video auction, the internet and through direct marketing channels. University of Idaho Extension continues to provide education and support to the alliance in regards to marketing, management and production.

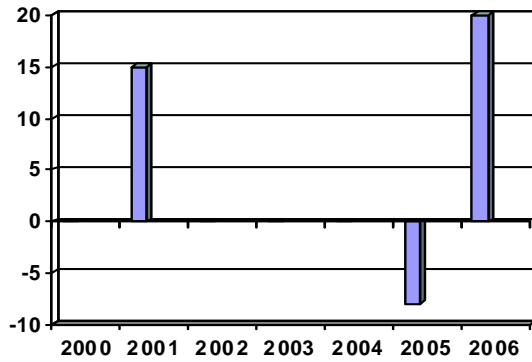
Program Outcomes

The Clearwater Valley Beef Alliance has been a success for the participating ranches. Over the last ten years, the alliance has received prices equal to or above the top prices received at the local auction markets. Data collected starting in 2000 provides evidence of the success. As shown in Table 1, prices received in 2000 and the years 2002-2004 were equal to top prices at the local auction markets. In 2001 the price received was \$15 per hundred weight higher than the market prices received locally. In 2005 the prices received were \$5 - \$8 per hundred weight lower than the local prices. In 2006 the price received was \$20 per hundred weight higher than local auction market prices.

Net returns have increased for the producers due to their participation in the Clearwater Valley Beef Alliance. However, there have been other benefits as well. The producers have learned about the quality of their cattle. They have made genetic improvement

over the last ten years. They have learned to study marketing options and trends and have explored working together in other areas besides marketing. This has been a win-win experience for all participants.

Table 1. Difference in calf price received for CVBA members compared to local auction market.



For More Information

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