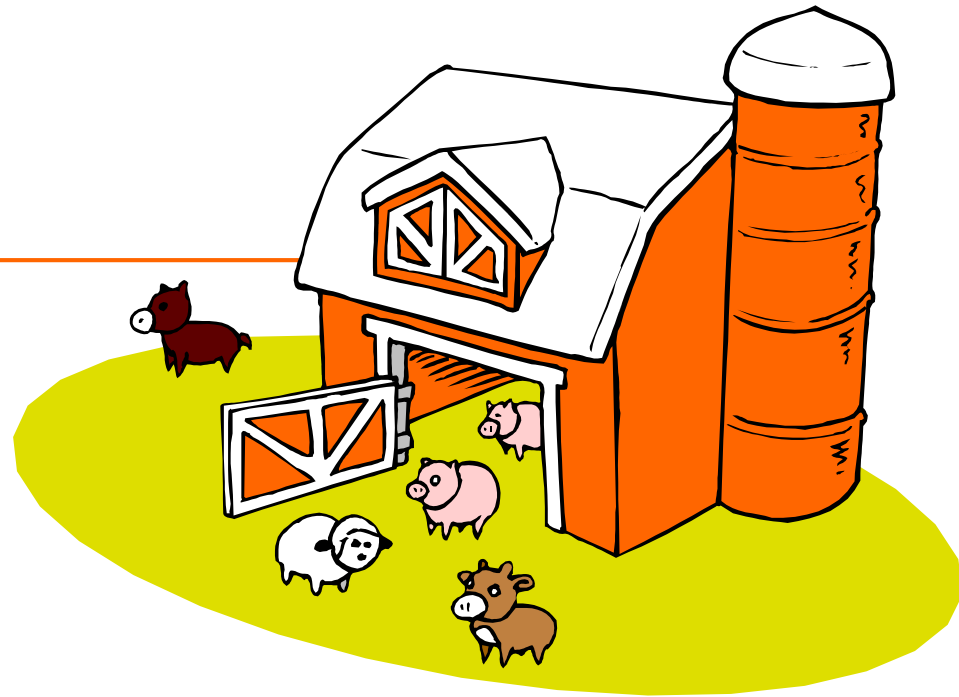

Livestock Marketing



What is Marketing?

- Definition:

A term used to cover those activities of firms associated with the sales and distribution of product(s). *MIT Dictionary of Modern Economics*

- The process of producers monitoring input and output market conditions, managing market risk and controlling the movement of products into the market

Livestock Marketing

- Every operation should develop a marketing plan.
 - No two plans will be identical.
 - Plans should be developed for every product a producer expects to sell.
- To develop a marketing plan, producers must answer the 3 W's
 - What?
 - Where?
 - When?

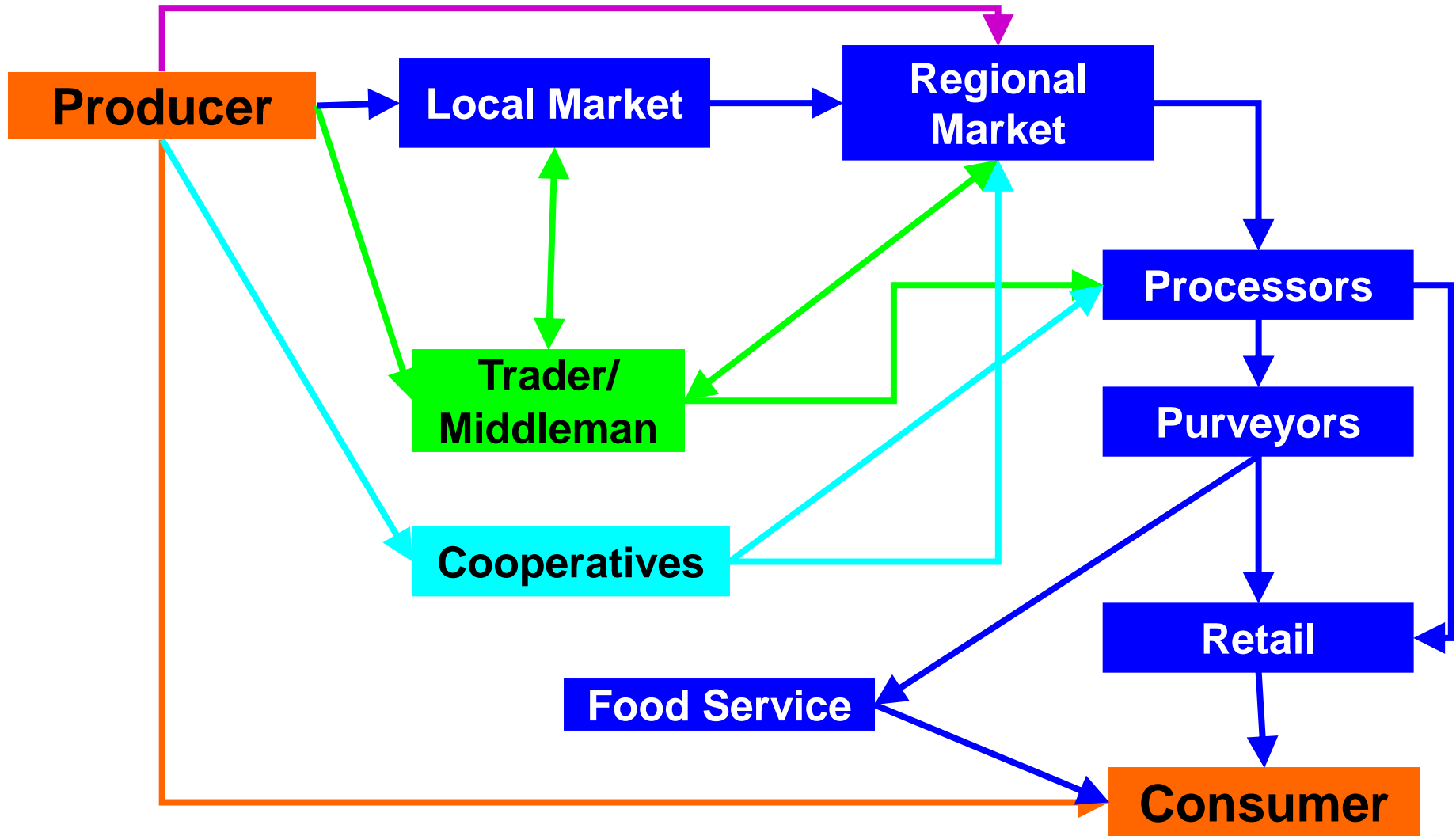
W's

What?

- What product is being produced?
 - Market animals
 - Size, weight, sex, breed
 - Replacement animals
 - Age, open or bred, breed, sex
 - Niche markets
 - All natural, organic, etc.
- Knowing what product is going to be sold helps determine an operations market potential.



Where?



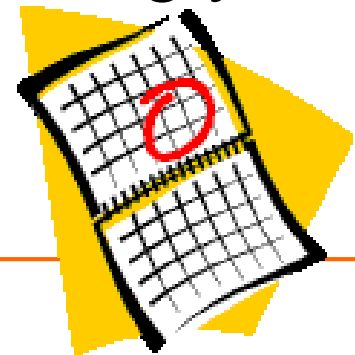
Where?

- Off of the farm
 - No commission or transportation costs
 - Need to know current market situation
 - Weight?
- Auction Barn
 - Easiest
 - No problems collecting money
 - May not receive complete worth of livestock
- Other
 - Special Sales
 - Will have to produce that type of product.
 - Farmer's Markets
 - Typically a finished product



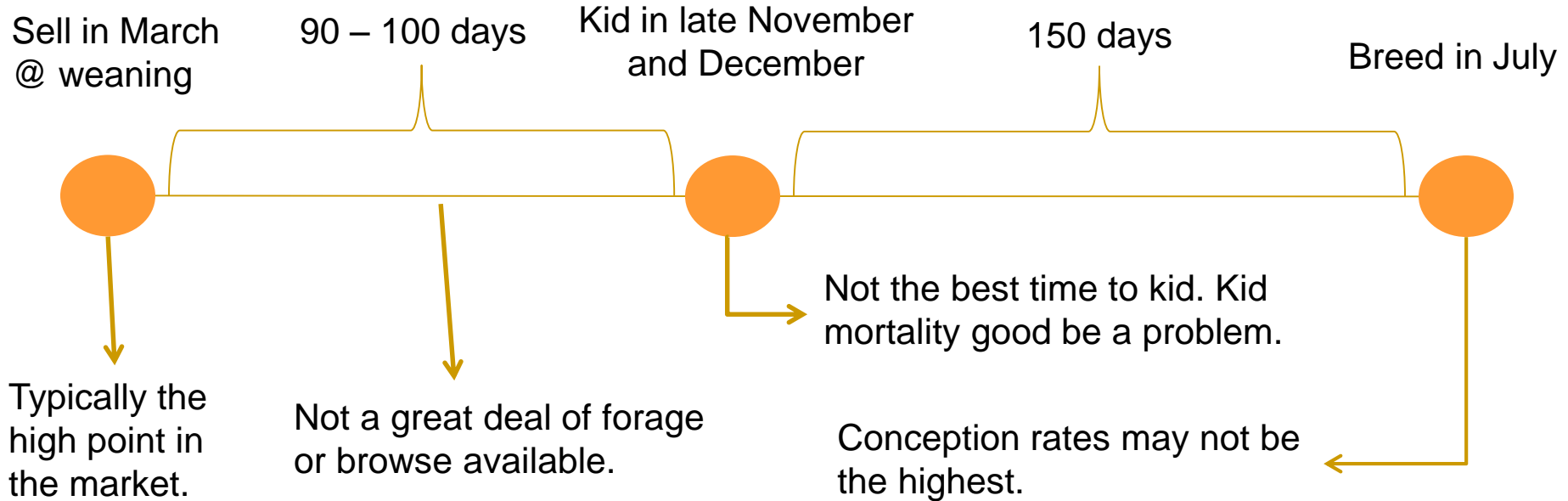
When to sell your livestock

- The best time to sell your livestock will depend on matching up your optimum production schedule with the optimum marketing time.
- When to marketing your animals is determined by your production schedule.
- Therefore you need to consider the total production schedule before determining your marketing date.



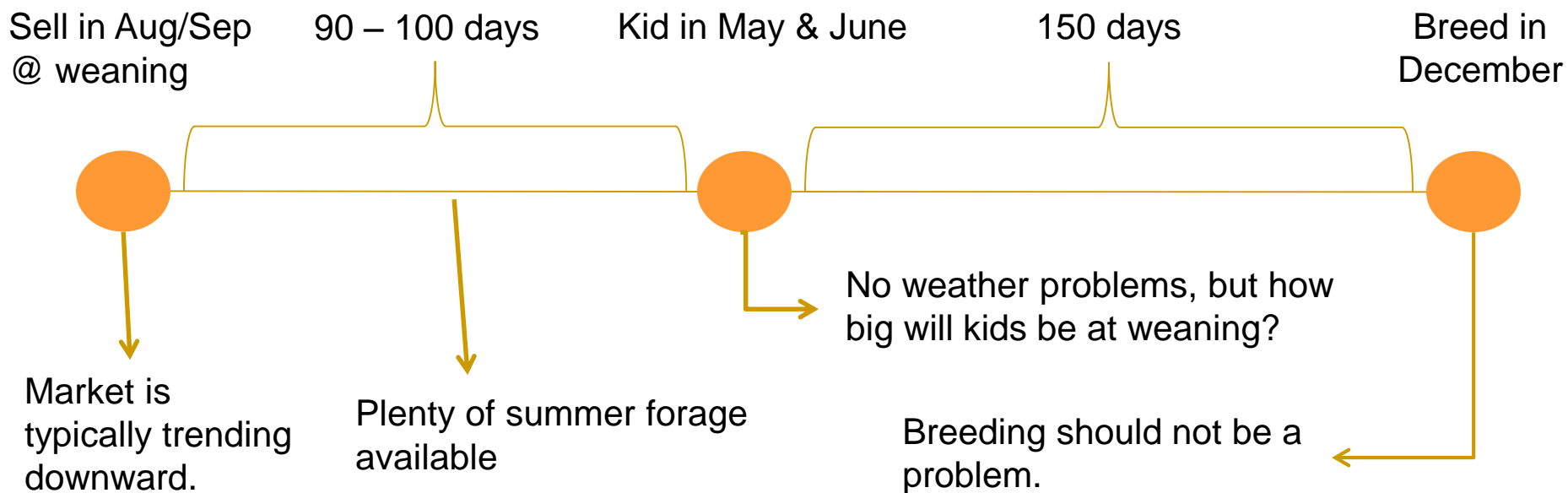
Matching Production with Marketing

Goat Example



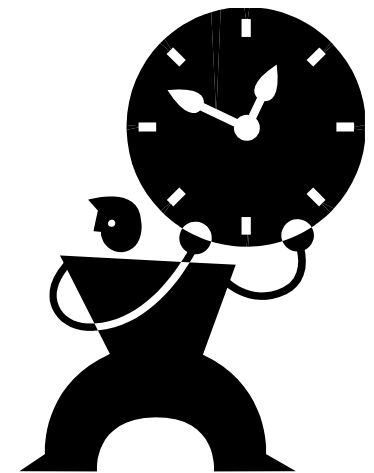
Matching Production with Marketing

Goat Example

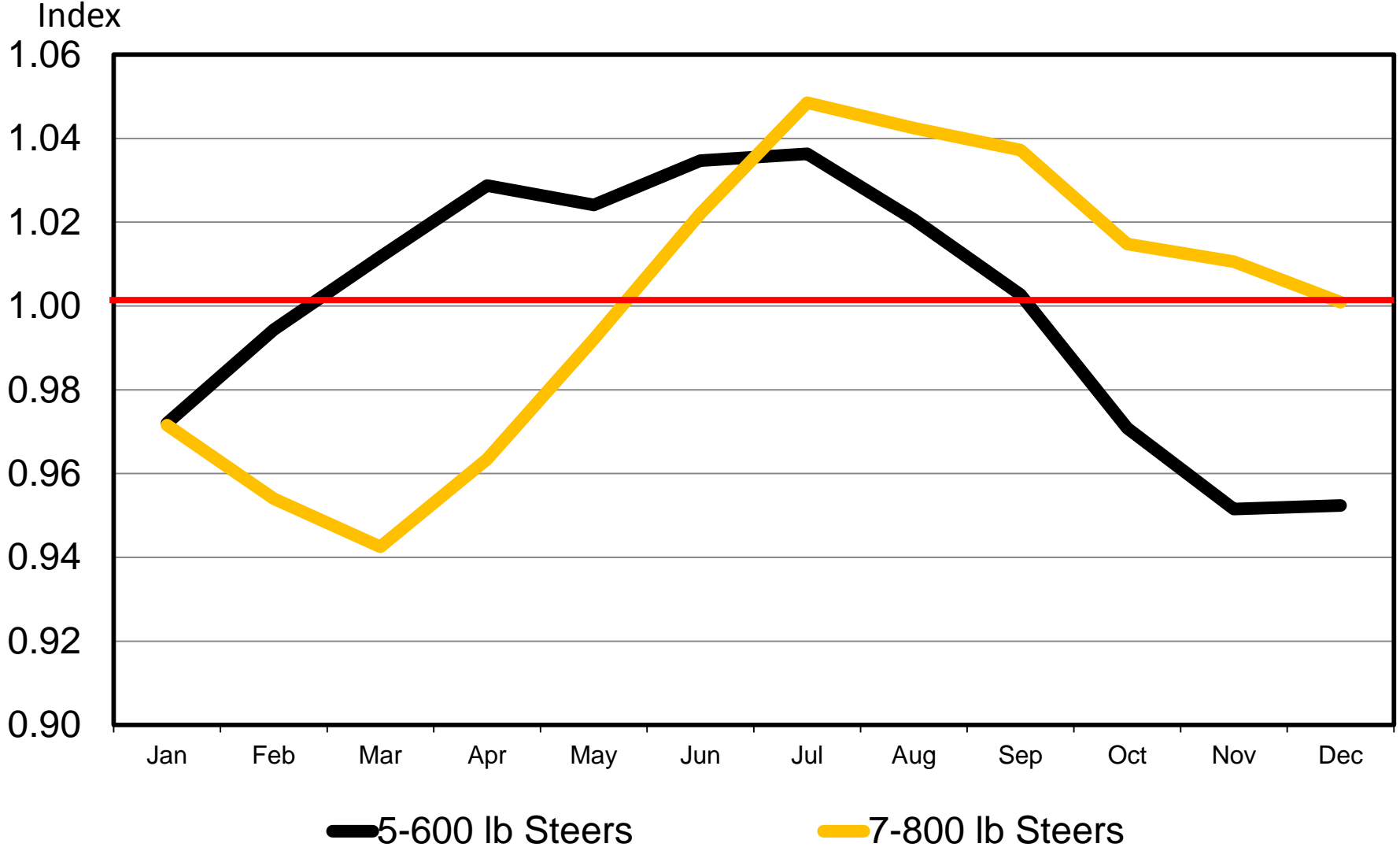


When?

- Most livestock prices have a seasonal pattern.
 - Prices are higher and lower than average for certain types and weight groups during certain times of the year.
 - These changes are generally caused by:
 - Increased demand
 - Holidays
 - Summer BBQ season
 - Decreased supply
 - Production cycles



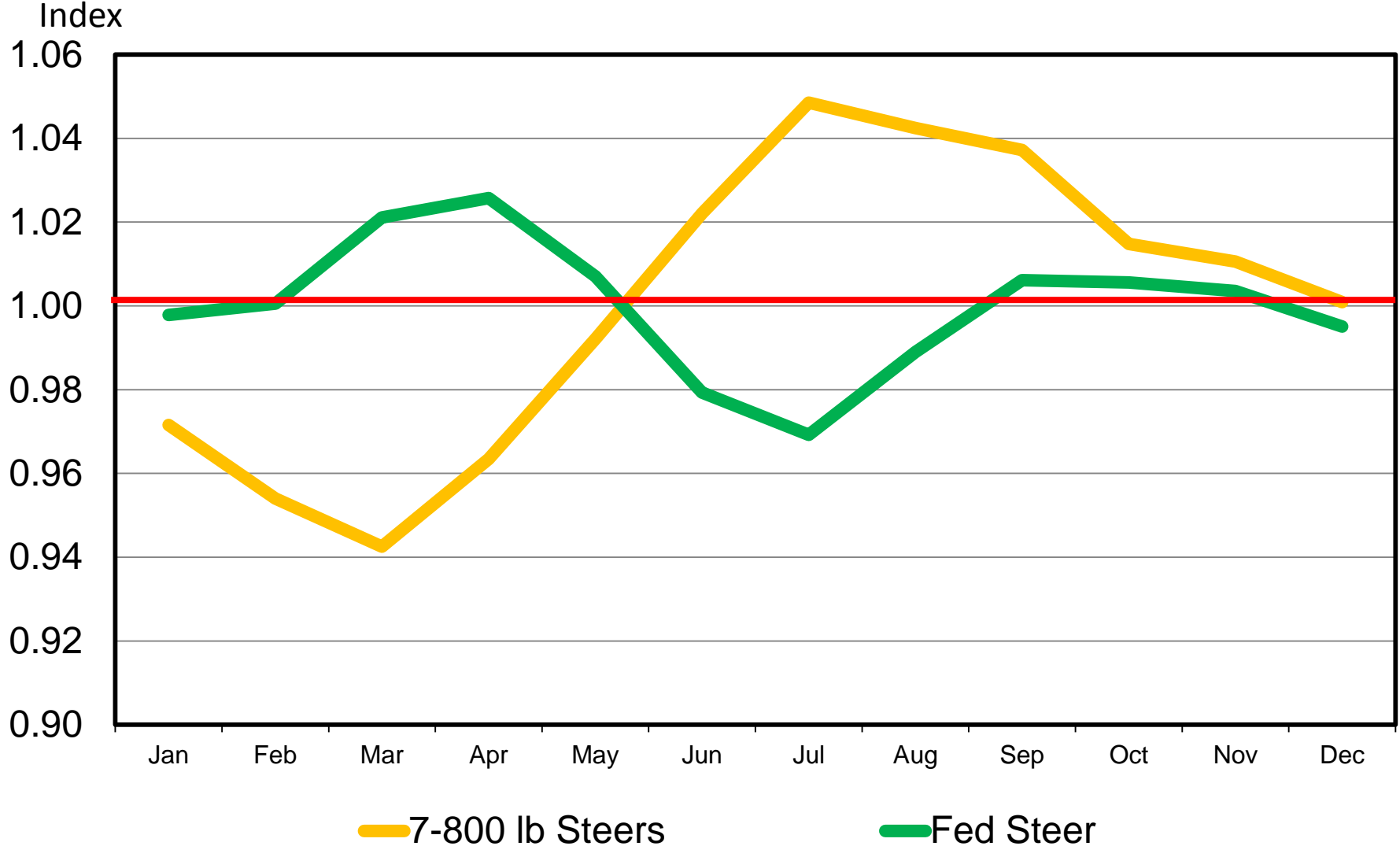
Oklahoma Cattle Seasonal Price Chart



Data Source: USDA-AMS, Compiled & Analysis by LMIC
Livestock Marketing Information Center



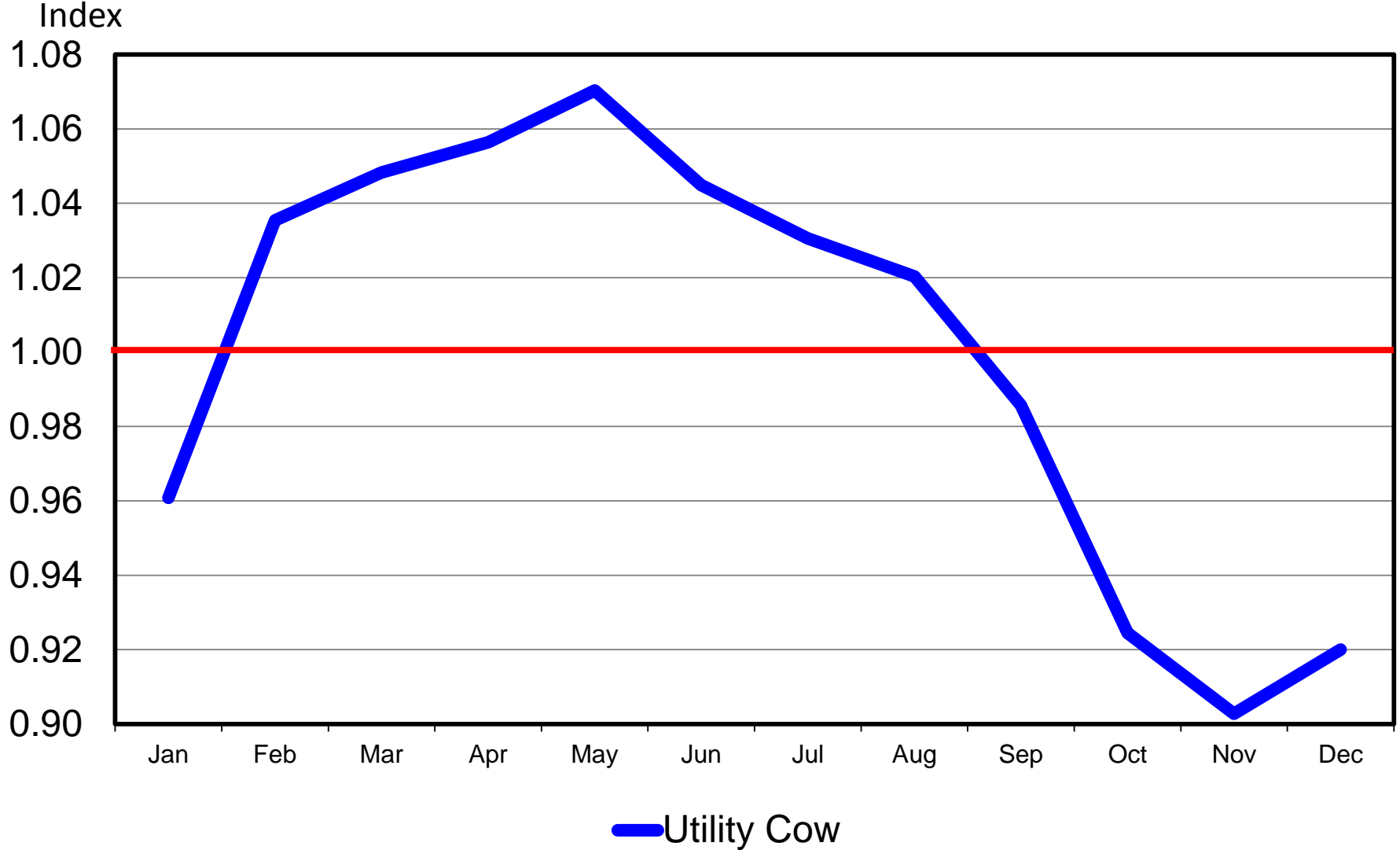
Oklahoma Cattle Seasonal Price Chart



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Oklahoma Cattle Seasonal Price Chart

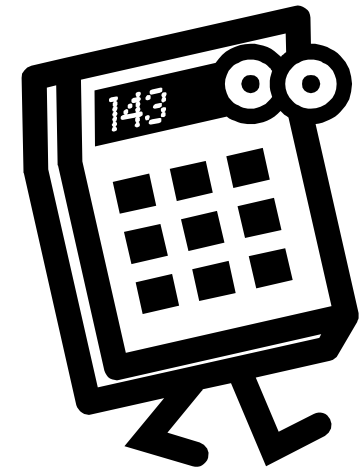


Data Source: USDA-AMS, Compiled & Analysis by LMIC
Livestock Marketing Information Center



Value Added Opportunities

- Preconditioning
- Cooperative marketing/purchasing
- Retained ownership through custom feeding
- Strategic alliances
- Niche Markets
 - Organic
 - Natural



Summary

- Every livestock operation needs to develop a marketing plan.
- Remember the 3 W's
 - What
 - Where
 - When
- Make sure to consider production schedules when determining marketing plans.
- Be sure to investigate value added opportunities.

Funding Support from:



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