



## What's a Stocker? Part II Structure

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The term “stockers” was coined by mountain folks to refer to animals purchased in the spring to stock mountain pastures. The goal is to add weight economically using relatively inexpensive, excess pasture. Sometimes referred to a summer yearling program, typically stockers are placed on pasture weighing 300-600 lbs. They graze for 90 – 150 days and gain 1.5 – 2.0 lb/day and then transition into a finishing program to market weight. The majority of the cattle will be finished on a high energy diet, but more recently there is a demand for these calves to be finished on an all forage diet for the grass finished market.

The stocker operation serves two purposes. It aggregates light weight calves from smaller herds and prepares them for finishing. With over 70 breeds in the U.S., all managed differently and in different geographical regions, collecting these calves into a central location and implementing a consistent health and nutrition protocol decreases health risk for the next owner. Stocker operators also sort these cattle into uniform load lots which make them easier to manage further up the chain. All of these activities add value to the cattle.

Second the stocker operation acts as a warehouse, providing a steady flow of heavier cattle for finishing. In the U.S. calves are primarily born in the spring, yet demand is year round. Stockers are managed to meet the demand so finishers and consumers have a consistent supply of high quality beef 12 months out of the year.

This seems fairly straight forward, yet a strict definition is hard to come by due to the various ways the business can be structured. For example if the definition is turning forage into economic gain, then cull cows could fit this definition. Whether a cow calf operator keeps the cull cow until spring when the price is higher, or an entrepreneur who purchases cheap cows in the fall for sale in the spring, these could be defined as stocker cattle.

Often the stocker business is seen as opportunistic: buying mismanaged calves, i.e., someone else's mistakes. These calves are then straightened out and repackaged at a profit. Yet, according to the 2008 *BEEF* National Stocker Survey (NSS) only 23.9% of exclusively stocker operators purchased calves under the market; 65.3% purchased at the market and 10.8% purchased above the market (ISHMAEL 2012).

The stocker segment is also very fluid. Whereas calves are generally weaned at 5-7 months of age, finished cattle are marketed at a set body composition and cows are culled when

no longer productive, stocker cattle are marketed whenever there is a profit to be made. Market weight for stockers can range from 500 lb. to 1000 lb.

Finally, stocker cattle can be purchased or raised. The largest sector of the stocker enterprise is the cow calf enterprise (ISHMAEL 2012). Of the total stocker segment, 64.6% own cows and the remainder include producers involved from cow-calf through cattle feeding (10.6%) and feedlots (4.8%).

The inventory of stockers has remained essentially the same from 2000 to 2013 at approximately 3.0 million head. The location of stocker operations has changed recently due mainly to drought conditions and the availability of ethanol. In 2013, 60% of the stocker cattle were in 10 states: Texas, Kansas, Nebraska, South Dakota, Oklahoma, Iowa, California, Colorado, Idaho, New Mexico, Washington, and Arizona. Using data from the USDA's Monthly Cattle on Feed Report, Speer (2013) notes that "stocker cattle inventories have progressively moved from the northern states to the southeastern states. Arkansas, Virginia, Tennessee and Kentucky have captured an additional 207,000 head compared to 2000, and account for nearly 85% of the geographical shift in inventory".

This shift points to a potential business opportunity for New York. Stocker cattle are moving to where there is grass and water. With nearly 3.0 million acres of idled or underutilized land in NY (2011) we have the resources to put cheap gain on cattle that will provide cattle for finishing – either on grass or grain. In future articles we will go into more depth on the potential advantages of stocker cattle for the NY beef industry.

The education committee of the New York Beef Producer's Association has selected Stocker Cattle as a topic for the Friday session of the 2015 Winter Beef Management Conference, January 16-17 in Syracuse. I hope that you will put this date on your calendar to decide if this is a viable business opportunity for your farm.

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