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# 2005 Iowa Sire Profit Comparison Project

Methods Used in Standardizing Data in Sire Profit Comparison

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1. Lifetime profit was calculated on each progeny by calculating gross revenue and subtracting out feed, yardage, miscellaneous and SPA cow costs.
2. Standardized feed cost was \$.055 per pound of dry matter consumed.
3. All feed consumption was calculated using the Cornell Net Carbohydrate Model as developed by Dr. Danny Fox, Cornell University.
4. Yardage was calculated at \$.28 per head per day.
5. All individual health treatments were used at actual cost.
6. Beginning value of calves were standardized using a formula developed from Standardized Performance Analysis records from the ISU Beef Cow Business Records program. A standard fixed cost and a variable cost depending on the weight of the calf was utilized. The actual formula was:  

$$\text{SPA Calf Value} = \$122.35 + (\text{Calf Weight} \times \$.4253)$$
7. All miscellaneous costs were assessed as accumulated during the test and no standardization on these was done.
8. All progeny, and thus sires, were evaluated and ranked using one grid pricing situation. A standard base price of \$135 per cwt of carcass weight was used and the grid premiums and discounts were applied as applicable. The grids utilized are at the bottom of this write up.
9. Two Choice-Select price spreads were utilized in the project for evaluation and rankings because some may typically market in different marketing windows. February through April had a Choice-Select discount of \$5.36 per cwt while May through July had a discount of \$10.26. These were arrived at by Iowa Beef Center staff analysis of market conditions 2000 to 2002.
10. All progeny were ratioed within test group, a dollar difference per ratio point was found within each test group, and then those ratio dollars were utilized in a weighted analysis for each sire to determine Sire Effect on Profit. Difference in variance between each feeding group was accounted for in final rank.

<b>High Quality Grid for Future</b>							
Quality Grade	Premiums & Discounts						
	YG 1	YG 2.0-2.5	YG 2.51-2.99	YG 3.0-3.5	YG 3.51-3.99	YG 4	YG 5
Prime	\$17.00	\$15.00	\$13.50	\$10.00	\$9.00	-\$10.00	-\$15.00
Upper 2/3 Ch	\$12.00	\$10.00	\$8.50	\$5.00	\$4.00	-\$16.00	-\$20.00
Low Choice	\$7.00	\$5.00	\$3.50	Base	-\$1.00	-\$20.00	-\$25.00
Select	\$5.00	\$3.00	\$1.50	Market	Market -\$2	-\$20.00	-\$25.00
Standard	-\$25.00	-\$25.00	-\$25.00	-\$25.00	-\$25.00	-\$25.00	-\$25.00

<b>High Retail Product Grid for Future</b>							
Quality Grade	Premiums & Discounts						
	YG 1	YG 2.0-2.5	YG 2.51-2.99	YG 3.0-3.5	YG 3.51-3.99	YG 4	YG 5
Prime	\$16.00	\$14.00	\$7.00	\$6.00	\$4.00	-\$20.00	-\$30.00
Upper 2/3 Ch	\$12.50	\$10.50	\$3.50	\$2.50	\$0.50	-\$20.00	-\$30.00
Low Choice	\$9.00	\$7.00	Base	Base -\$1	-\$3.00	-\$20.00	-\$30.00
Select	\$9.00	\$7.00	Market	Market -\$1	-\$3.00	-\$20.00	-\$30.00
Standard	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$15.00	-\$20.00	-\$30.00