



# Cattle Producer's Handbook

Marketing Section

816

## Selling Cattle on the Slide

*Ron Torell, Northeast Area Livestock Specialist**Gordon Myer, State Economics Specialist  
University of Nevada**Neil Rimbey, Extension Range Economist  
University of Idaho*

Selling cattle on the slide—sounds a little suspicious doesn't it? Actually, it's an excellent way to market cattle for buyer and seller, provided you understand the "sliding scale" that adjusts price for variation between estimated and actual selling weight. A producer must also have a good understanding of price spreads between the various weights and classes of livestock as well as a knowledge of the expected performance of the cattle that are being sold on the slide.

This fact sheet explains the process of marketing cattle through the "slide" price adjustment system and discusses the price spreads of various classes, sexes, and weights of cattle and what influences them.

### Why Use the Slide?

Slides are common and are more critical in times when there is a wide difference between the per-pound cost of gain and the per-pound price of cattle.

Using the "slide" when selling cattle adds flexibility to your marketing scheme. Traditionally, yearlings are marketed and shipped in August and September while weaned calves are sold in late fall. Historically, prices are at a low point during these periods of times—a simple case of high supply.

By marketing cattle during price peaks, usually in spring or summer and well in advance of shipping dates, producers often receive top dollar. Buyer and seller can only estimate sale weight based on historic performance, forage quality, and genetics. Estimated sale weight causes reluctance on the buyer's part to pay top dollar. By using the slide and adjusting price to correspond to actual sale weight, buyers can bid top dollar with

confidence. Refusal to market cattle with a slide and not having actual sale weights may result in a discounted price. With forward contracts becoming more and more prevalent in the West, sliding price adjustments specified in these contracts provide an excellent tool for marketing cattle at some future delivery date.

### Price per Hundredweight or Pound

Buyers often talk in terms of price per hundredweight (cwt), while producers generally prefer price per pound (lb). The difference of course is where the decimal point is placed—cents or dollars.

$$\$80/\text{cwt} = \$0.80/\text{lb}$$

Slide calculations can be made on a per-hundredweight or per-pound basis. Calculating actual slide price requires less mathematical steps when using price per cwt. We suggest using the price per cwt pricing system. It's suggested you use the same system as your buyer so you are on common ground using similar terminology.

### How Does the Slide Work?

As an example, suppose yearling steers are sold on the June 1 satellite auction for a August 1 delivery date. The steers weighed 730 pounds on sale day, and it is anticipated they will weigh 850 pounds (after the 3 percent pencil shrink) on August 1—a 2 lb/day gain. The terms and conditions of the sale call for an average shrunk base weight of 850 pounds with a \$4/cwt slide and a 10-pound window or grace on the top side of the base weight. The steers can weigh up to 860 pounds without a price discount. The gavel falls and you received \$80/cwt (\$0.80/lb).