

# BQA-CERTIFIED PRODUCERS EARN MORE PER HEAD SOLD

BQA Study: Effect of Mentioning BQA in Lot Descriptions of Beef Calves  
and Feeder Cattle Sold Through Video-based Auctions on Sale Price



## STUDY SHOWS PREMIUM IN CATTLE FROM BQA CERTIFIED PRODUCERS

# BQA – MORE THAN THE RIGHT THING TO DO

For years, BQA certification has helped beef producers market their cattle, demonstrate commitment to food safety and quality and emphasize the importance of responsible cattle management, care and animal handling. However, while producers have traditionally participated in Beef Quality Assurance (BQA) because it's the right thing to do, there is sound research indicating BQA certified producers can benefit financially as well. A 2019 study conducted by Colorado State University (CSU) on the Beef Checkoff-funded BQA program showed a significant premium for calves and feeder cattle sold through video auction markets. This is good news and further encouragement for beef producers to become BQA certified. The study was unique in its approach, utilizing advanced data analysis methods to discover the true monetary benefits of participating in BQA certification.



## THE EFFECT OF MENTIONING BQA IN LOT DESCRIPTIONS

The research study, titled, “Effect of Mentioning BQA in Lot Descriptions of Beef Calves and Feeder Cattle Sold Through Video-based Auctions on Sale Price”, was led jointly by CSU’s Departments of Animal Sciences and Agricultural and Resource Economics. The goal of the study was to determine if sale prices of beef calves and feeder cattle marketed through video auction companies was influenced by the mention of BQA in the lot description. Partnering with Western Video Market, CSU reviewed data from 8,815 video lot records of steers (steers, steer calves and weaned steers) and heifers (heifers, heifer calves and weaned heifers) sold in nine western states from 2010 to 2017.

### Effect of BQA mention on WVM sale price, holding other factors constant

FACTOR	NUMBER OF LOTS	MEAN OF SALE PRICE (\$/CWT)	BQA COEFFICIENT	P-VALUE OF FACTOR
BQA mention <sup>1,2,3</sup>				
Yes	341	164.10	<b>\$2.71 ± 0.93 / cwt</b>	0.0040
No	8,474	161.39	<b>≈ \$16.80 ± 5.77 / head</b>	

<sup>1</sup>Other factors that also significantly affected the sale price of beef calves in this model were: Auction year, delivery month, sex, weight variation, lot size, base weight, and participation in other value-added programs

<sup>2</sup>Factor that did not have a significant effect on sale price: frame score, weight variation

<sup>3</sup>Limitations: Not all potential confounding factors included. Variables not available or not incorporated include additional lot, cattle, and market factors (e.g., breed / color descriptions, horns, sale date, corn/cattle futures, fuel price)

Results of the study revealed a premium of \$16.80/head for cattle that had BQA listed in the lot description compared to no mention and holding other factors constant. This value was determined by applying the \$2.71/cwt premium found in CSU’s statistical analysis to the average weight of cattle in the study data. When the BQA premium was constant on a per head basis, it implied higher weight-based premiums for lighter cattle (for example \$3.73/cwt at 450 lbs./head) and lower premiums for heavier cattle (\$2.24/cwt at 750 lbs./head).

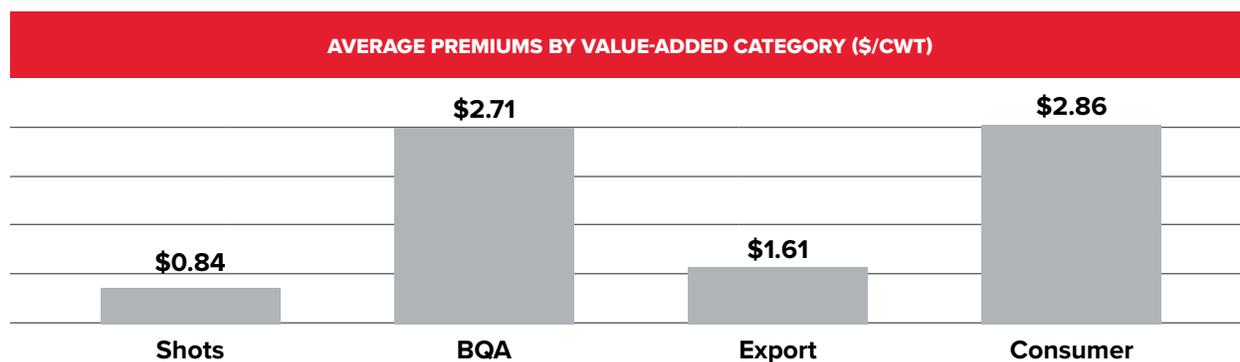
## Top 10 states for BQA mentions, WVM or SLA

RANK	STATE	PERCENT OF LOTS WITH BQA MENTION
1	Montana	15.9
2	Wyoming	11.5
3	Nevada	8.7
4	Nebraska	8.2
5	New Mexico	7.0
6	North Dakota	5.4
7	Idaho	5.3
8	Arizona	5.1
9	Oregon	4.4
10	Texas	3.6

Additional study findings showed that over the past 10 years, consistent frequency of BQA mentions were included in the lot descriptions of cattle selling via video auctions. In some states, like Montana, the frequency of mentions have been fairly sizable and upwards of 10 percent or more of all calves/yearling lots offered for sale. Even without documentation of a premium in the past, the results imply that over time many producers have proactively chosen to highlight and emphasize their participation in BQA when marketing their cattle.

## BQA comparison

- Dataset included information on other value-added programs
- Production/health management, export verification, consumer-driven attributes
- Only analyzed premiums so far, not costs
- Values not “additive”



Finally, the Western Video Market dataset from the study included information on other value-added components (including production/health management practices, export verification programs, consumer-driven verified and third-party labeling programs and others). Results indicate BQA is comparable to the average premium per cwt received for these other factors when compared to lots without any of these attributes. Lots incorporating more than one of these value-added components had a higher overall premium, as did lots that included multiple programs or practices within a single category; however, the premiums shown were not additive.

## BQA ADDS VALUE TO CATTLE

There's a great advantage in communicating and sharing BQA certification status to potential buyers. Results of the BQA study suggest video auction customers are willing to pay a premium for cattle coming out of BQA certified operations. In fact, the premium for cattle with a BQA mention existed even with other value-added programs included in the lot description (such as age/source verification, lot characteristics, verified natural certification, etc.).

Study results indicate that BQA certification is truly valued as buyers look for cattle raised by producers who are well educated in BQA best management practices. The study also emphasizes the benefits of tracking BQA certification in lot descriptions so that studies can be continuously conducted to show the monetary premium of cattle in the marketplace. By obtaining BQA certification, producers can benefit from the economic value of committing to the fundamental principles of quality beef production.

For more information on the study or to complete online BQA certification, visit [www.bqa.org](http://www.bqa.org).

