Set a Strategy and Budget for Selecting for Your Next Ram

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Many producers will be looking for a new ram to buy for this fall's breeding season. We all want to find a bargain: the highest quality genetics for a bargain price. However, producers can spend some time now developing a selection strategy and setting up a budget to determine what a ram is worth to your operation. Consider the ram an investment and think about what value that ram will bring to your operation.

When looking at a ram as an investment an item to consider would be how he will impact improved production. How will his lambs compare to previous lambs born on your operation? Will they have heavier weaning weights? Will they be more acceptable to buyers? What traits will his daughters exhibit to improve performance? These are all considerations that not only impact your bottom line the first year after this ram produces lambs, but into the future as you retain daughters in your flock.

First consider what production traits your ewes exhibit as strengths. Then, look at what traits you would consider weaknesses. Pull out production records from the past couple years to assess the strengths and weaknesses. Finally, rank the traits that you would like to see in a ram that would best fit your operation's goals. You might even want to classify these traits into categories such as growth traits, carcass traits, or maternal traits. Growth traits would include weaning and post weaning weights, while carcass traits would include loin depth (or size) and fat thickness. Maternal traits often include number lambs born and number lambs weaned and may also include scrotal circumference of the rams because rams with larger scrotal size tend to improve reproductive performance in ewe lambs. One other category to consider would be parasite resistance.

Once you have determined the top traits you would like to see in a new ram, you can now start the selection process. Ideally, you would have EBVs on your ewe flock and can choose a new ram based on both EBV traits and visual appraisal. However, purebred flocks without EBVs and commercial flocks can both utilize EBVs to identify rams with the genetic potential to meet your performance improvement goals. Always choose several traits to move your flock toward higher performance. Single trait selection often results in decreases in other important traits.

The final consideration in ram selection, but often the starting point for many producers, is the price. How much can you afford to pay for a ram? This not only depends on your bank account but should also depend on the value of that ram to your operation. So, how do you determine what is appropriate?

Start with estimating the salvage value of the ram once you are finished using him. If you sell aged rams to other producers, how much do you charge? If you follow this path are there any health tests you have performed to ensure the buyer that the ram won't share any diseases with the new flock? Subtract those costs to arrive at a salvage value. If you send the ram to a sale barn, what is the likely value for cull rams? Or, will the salvage value be zero because you expect that your ram will live the rest of his life at your farm?

Let's take a look at an example of paying $1500 for a ram that you will use for 2 years and who services 35 ewes each year. After you finish using this ram you intend to sell him through a sale barn for about $200. This makes the difference between the purchase price and the salvage value $1300. When you divide this by the two years you plan to use the ram, then you arrive at a depreciation cost of $650 annually. If you divide the annual depreciation cost of $650 by the number of ewes serviced, the depreciation per ewe is $18.57. Or, you can divide this by the average value of the lambs you sell, and you get the pounds of lamb each ewe must produce each year in order to cover the cost of ram depreciation. Calculate this by dividing $18.57 by the sale price for your lambs. In this example we will use $2.85 for eastern lambs sold at weaning. Thus, 6.5 lbs. produced by each ewe would cover the cost of ram depreciation.

In order to determine if this is acceptable for your operation you will need to know your cost of production. What does it cost you to keep a ewe per year? If you add $18.57 to her annual costs, how will this impact your operation's profitability? Should this cost be considered an investment for the future when this ram's daughters enter the flock?

Another way to look at the salvage value of the ram is to consider how many lambs per year will it take to cover the depreciation cost. If you sell 60 lb. lambs at $2.85 per pound, the value of each lamb is $171. Subtract sales and transportation costs. For this example, let's use $160 as the value that lamb brings to your operation. Therefore, $650 divided by $160/lamb means that it takes about four lambs each year to cover the cost of the ram.

Producers should always purchase the best ram that they can afford. A ram has the potential to impact your flock for many years through his daughters. So, spend some time determining what traits you feel are needed to improve your operation, what value a ram will have to your operation, then decide what you can afford to pay for him.