

## Raising Lowlines Full blood Lowlines or Percentage - how we decided.

The value of full blood Lowline breeding stock has been and continues to be higher than for percentage or Lowline cross bred stock. This market has remained relatively constant from a pricing perspective and shows no signs of decreasing appreciably in the foreseeable future. If anything the demand for quality breeding stock remains very strong and the variety of potential buyers for these cattle continues to expand. Even if we see some moderation in pricing we would simply view that as an exponential increase in the number of prospective buyers.

Our primary objective in raising cattle on our small farm was for direct marketing of beef. We expected to buy a few head of the very best Lowline full blood registered breeding stock that we could to build a solid foundation herd for our beef business. We felt it made sense for us to leverage our investment in Lowlines by purchasing registered full blood Lowlines with a plan to sell some breeding stock.

In the first few years we decided we would grow our Lowline herd a little more slowly and would sell some of our heifers rather than retaining them all for herd expansion. This would allow us to recover more quickly our initial investment in the purchase of Lowline breeding stock.

Although we had never raised bulls on our farm, with the quiet and docile disposition of the Lowlines we selected the very best bull calves, ones that showed the confirmation and traits that we look for in quality bulls and offered these for sale as yearling and two year old bulls. The majority of bull calves are raised as steers and supply the finished beef for our direct market beef. The profits from the sale of breeding stock far exceeded that we would have realized in beef sales alone.

So although our initial investment in full blood Lowline was significantly higher than it would have been for percentage Lowline cattle, it gave us an opportunity to realize a substantial increase in our rate of return. We let the government "help us" with an immediate tax break that we used to help offset the cost of our Lowline herd. We were able to take the entire cost of our Lowline breeding stock as an expense against our off-farm income in the year we purchased them. Section 179 of the United States Internal Revenue Code allows a taxpayer to elect to deduct the cost of certain types of property on their income taxes, as an expense (rather than requiring the property to be capitalized and depreciated). This property is generally limited to tangible, depreciable, personal property which is acquired for use in the active conduct of a trade or business. Talk to your tax professional about leveraging this tax benefit in offsetting the start up costs for your Lowline investment.

**Sharidon Farms**  
**9795 Bruns Rd**  
**Richmond, MO**



**Web site: [sharidonfarms.com](http://sharidonfarms.com)**  
**Phone: (816) 419-3514**  
**[lowlines@sharidonfarms.com](mailto:lowlines@sharidonfarms.com)**