

NEWS

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BeefTalk: Retained Ownership -- Is Your Decision Based on Factual Data?

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News drives our world. We want it as fast as we can get it. Have you ever stopped to think about how much of our day depends on what is reported to us -- not experienced by us?

This thought may seem minor, but have you considered the last decision you made? Was that decision based on factual data, or was it based on something someone told you? Is what someone told you based on something they read, or just on something they heard? When is reality only a figment of your perception? Was your perception grounded in fact?

The beef business, both market and production, is often based on someone else's opinion. But when you're addressing issues related to your own operation, the correct analysis of that opinion is critical. This winter, several people told me cattle feeding is tough--bills are high and performance is low. Fact or fiction?

At the North Dakota State University Dickinson Research Extension Center, I would rather base my conclusion on fact.

In an earlier column, I discussed the concept of benchmarks and how producers can grasp the current situation and react accordingly--based on benchmark data. In 1996, the center started retaining ownership through the feeding phase. We shipped one load of calves on Nov. 22, 1996, and the second load on Dec. 4.

The learning curve started immediately. One of the first lessons learned was to make sure the trucks are clean when the calves are loaded. The calves on the second load were pretty gimpy when they got off the truck. Ever since then, any calves loaded at the DREC are loaded on clean trucks. The first lot of steers gained 3.73 pounds per day through the interim weigh day (60 days on feed) and the second lot gained 4.06 pounds per day after 79 days on feed. Feed costs for the first year through March 15 were \$1.50 per head per day and \$1.44 per head per day for the two lots, respectively, and total costs were \$1.70 per head per day and \$1.65 per head per day, respectively, giving us our first benchmark for feeding cattle.

The center's actual net return per calf was \$55 per head. At least the DREC was on the positive side of the margin. In 1997, one lot of steers was fed. The steers left on Dec. 18 and gained 4.34 pounds per day after

56 days in the yard. Feed costs up to March 15 were \$1.44 per head per day and total costs were \$1.65 per head per day. The second benchmark was expensive. Improved performance and lower costs could not offset a poor market and the center lost more than it made the first year.

In 1998, the steers were shipped Dec. 17 and after 69 days on feed were gaining 3.97 pounds per day. Feed costs were low, at \$1.12 per head per day and \$1.37 per head per day total costs. The DREC profited more than the first year, and was back in the black.

The fourth year, with calves born in 1999, two lots of steers were fed, each gaining 4.35 and 5.01 pounds per day after 75 and 68 days, respectively, in the feed yard. Feed costs were \$1.20 per head per day and \$1.35 per head per day for each lot, with total costs at \$1.42 per head per day and \$1.59 per head per day, respectively. Another year of great performance, reasonable costs and positive returns marked this fourth set of benchmarks.

Now, back to the original question, "Is this a bad year to feed cattle?" The news says it is.

This year our cattle, checked in Dec. 15, are gaining 4.12 pounds per day, eating \$1.53 per head per day and accruing a total daily charge of \$1.77 per head per day. Based on our history, I would say the cattle are gaining right on target but costing slightly more (7 cents per head per day) than 1996--certainly, not vastly different than previous years.

Was your perception grounded in fact? Is this a bad year? May you find all your ear tags.

Your comments are always welcome at www.BeefTalk.com For more information, contact the North Dakota Beef Cattle Improvement Association, 1133 State Avenue, Dickinson, ND 58601 or go to www.CHAPS2000.COM on the Internet. In correspondence about this column, refer to BT0032.

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1996 - 2000 Feedlot Steers Initial Performance and Cost					
NDSU Dickinson Research Extension Center					
Shipping Date	Processing Weight	Interim Weight	Average Daily Gain	March 15 Feed Cost*	March 15 Total Cost*
Nov. 22, 1996	663	887	3.73	\$1.50	\$1.70
Dec. 4, 1996	591	912	4.06	\$1.44	\$1.65
Dec. 18, 1997	633	876	4.34	\$1.44	\$1.69
Dec. 17, 1998	663	937	3.97	\$1.12	\$1.37
Nov. 19, 1999	670	996	4.35	\$1.20	\$1.42
Dec. 15, 1999	746	1087	5.01	\$1.35	\$1.59
Dec. 15, 2000	693	1027	4.12	\$1.53	\$1.77

* Per head per day

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