

## Wean Early; Cull Early and Deep; Order Your Feed From the East

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When times are tough, many thoughts and reactions go through a person's mind. Some are drastic, quick actions; others are passive ó throw in the towel or remain in for the long haul.

Fortunately, most of us can settle somewhere in the middle, accepting what is put before us and thinking things through to make the right decision. The conservative nature of the cattle business is evident in Andy Swenson's recent article, "Financial Characteristics of North Dakota Farms - 1999-2001," based on an analysis of over 530 North Dakota farms enrolled in the North Dakota Farm Business Management Education program. Andy is a farm management specialist with the NDSU Extension Service.

Now may be the time to take a big-picture look. When you look at averages, the hope would be you know your own operation's actual numbers, and the comparative value of the averages helps to guide future management plans. One very noticeable fact in Swenson's report is the lack of uniform distribution of livestock across North Dakota.

In fact, only 18 percent of North Dakota farms have both livestock and crops and 18 percent are strictly livestock. The remaining 64 percent are involved in only crop production. As you travel east, only 1 percent of the farms in the Red River Valley involve livestock. In north central North Dakota 24 percent of farms have livestock, while 47 percent of south central North Dakota farms and 68 percent of western North Dakota farms are actively producing livestock, principally beef.

In fact, 44 percent of active western North Dakota operations depend on livestock for 70 percent or more of their income. What should that tell us? Livestock have historically filled those niches not capable of sustaining crop production.

If I might reflect, the North Dakota Agricultural Statistics for 2002 lists 39,400,000 acres of land in farms and 1,970,000 cattle within North Dakota. A little figuring tells us there are 20 acres of farm land for every cow or calf in North Dakota. Every acre only needs to contribute 300 pounds of winter forage or grain to adequately sustain the cow herd.

If I might let my bias show, whenever grain becomes unmarketable or dismally low priced, 64 percent of North

Dakota producers are looking for a cow. Even in a dry year, North Dakota can produce 300 pounds of feed per acre. For the betterment of North Dakota agriculture, a good balance of animal and crop production needs to be maintained.

Now back to Andy's article, the average net farm income for livestock producers was \$24,917. Also interesting was the fact that livestock farms were more financially efficient. The median of net farm income as a percent of gross revenue was 18.5 percent for livestock farms and 12.5 percent for crop farms.

How does a producer make the best of a difficult situation? Average net farm income will obviously vary, with peaks and valleys. During difficult times, producers tend to focus on expenses, (belt tightening). Unfortunately, during drought, the major expense of the cattle operation, winter feed, gets more expensive.

Inventory change can have a very significant impact on the bottom line, so it is important at least as much time should be focused on the income side of the net profit equation. Keep in mind, the gross income of the cattle operation includes a combination of steer calves, extra heifer calves, extra replacements, cull bulls, cull cows and perhaps yearling sales.

Start now and take advantage of seasonal price peaks to move marketable cattle within the operation. Wean early and cull early and deep ó to create opportunities to increase income and cut expenses. Long term survival in the beef business means flexibility. Annual replacement strategies do not need to be the same each year.

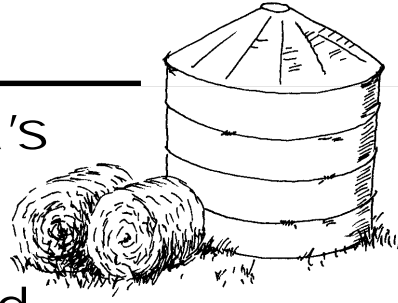
As sad as it may sound, sometimes the economics dictate the departure of average cows for the betterment of the total operation. Years like this tend to stifle expansion, but think positively, plan for the future and keep only the best.

And for those in the east, send your feed west. May you find all your ear tags.

Your comments are always welcome at [www.Beeftalk.com](http://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](http://www.CHAPS2000.com) on the Internet. In correspondence about this column, refer to BT0103.

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# North Dakota's Capacity to Feed the Cow/Calf Herd



Total N.D. farm land	—	39,400,000 acres
Total N.D. cattle inventory	—	1,970,000 head
Acres per cow or calf	—	20 acres per head
Forage or grain yield needed for 6 months of winter feed	—	300 pounds per acre