

Closed for Inventory ñ Come Back Tomorrow

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As the year ends, the "closed for inventory" signs start to appear in store fronts. The same should be said for the farms and ranches. Many people, especially the younger generation, need to be reminded of these events because they have never seen the signs.

Today, the larger stores never close because they do what is termed perpetual inventory ñ everything is monitored going in and out on a daily basis. If these larger stores close, the electronic count of inventory using bar scans is very fast.

Unfortunately, technology development and implementation is not always equal, especially in farm and ranch communities. Cattle are not bar coded (although some ear tags can be developed that way) so inventory reconciliation is done the old fashioned way.

If I asked, "How many cattle do you have?" could you answer? The most correct answer would be, "I need to think on that" because seldom is the number readily available (unless you just completed your inventory count).

Within the beef cattle business, the true answer is a function of perpetual inventories where everything is inventoried in and out. Any variation in inventory is checked by periodic audits.

At the Dickinson Research Extension Center, the annual hair pulling has begun as we reconcile our inventory. This is not unusual but it is still a headache.

The center has several groups of cattle, each with different values. (The count and values assigned to each are important for development of the year-end financial statement.)

The mature cattle inventory is straight forward. We began our inventory count on Nov. 1 with 498 cows. We sold 114 cows during November for a Dec. 1 inventory count of 384. We started November with 26 bulls and had 26 bulls on Dec. 1. The tricky part is keeping track of numbers as we move the calves through the various enterprises.

On Sept. 1, the center had 396 calves. The Nov. 1 inventory was 220 and the Dec. 1 inventory was 0. We still owned all the calves, however, for effective financial

management, the calves needed to be transferred from the cow operation to the backgrounding operation. During October, 174 calves were weaned and transferred to the backgrounding operation. One died. In November, one calf was transferred, the final 220 were weaned, eight calves were sold and the rest transferred, thus a Dec. 1 calf inventory of 0.

So as you see, the answer to how many cattle you have is complicated.

The Nov. 1 inventory of backgrounded calves was 102 and the Dec. 1 inventory was 126. Boy, the numbers don't add. Only the steer calves were transferred to the backgrounding enterprise and 86 steers were transferred to the feedlot enterprise before the last weaned calf arrived and one calf died.

The Nov. 1 replacement heifer inventory was 71, with an additional 102 transferred in, so the Dec. 1 inventory was 173. The feedlot inventory, although the calves are not physically at the center, still needs to be tracked. The Nov. 1 inventory was 0 and the Dec. 1 inventory was 86. The constant coming and going of cattle makes counting difficult.

If you actually tracked all the numbers and calculated back you would conclude that there should have been 397 calves on the September inventory not the previously stated 396, thus the hair loss. The transfers all appear correct, and three additional calves died in September and October. So where did the extra calf come from?

Our Dec. 1 inventory is correct, since we physically checked all cattle and identification tags, but the recorded numbers are off by one. It's frustrating when you can't find all your ear tags. Although keeping track of cattle is difficult, remember that inventory is money.

Happy New 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 BT0123.

Nov 1 and Dec 1 Perpetual Inventory

Enterprise	Nov 1 Inventory	Transfer In	Transfer Out	Dec 1 Inventory
Cows	498	0	114	384
Bulls	26	0	0	26
Calves	220	0	220	0
Background	102	111	87	126
Replacements	71	102	0	173
Feedlot	0	86	0	86

Cattle sold included: 114 cows, eight steer
calves plus one steer calf died in November

NDSU Dickinson Research Extension Center