

## Evaluating the Costs of Source Verification

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In all the discussion about source verification of livestock, an obvious point of concern is expense and who pays. Last year, the North Dakota State University Dickinson Research Extension Center began addressing the concern of those costs.

In the process, a couple of assumptions were made. In general, cow-calf producers do not have the equipment to process cattle in significant numbers. The typical producer has a line of cattle working facilities. However, the word "facilities" is usually used loosely to describe boards, nails, metal and anything else that can be assembled to corral cattle. Generally, individual restraining equipment is not readily available.

Spring calf working is still a huge labor event, with less emphasis on equipment. The annual upkeep on individual pieces of equipment is considered an unnecessary and unwanted expense. The labor component is also large, and availability is generally difficult. A large number of calves seem to be worked on weekends or right after the kids get home from college, indicating the lack of a manual work force in much of the vastness of cattle heaven.

As a solution, the Dickinson Research Extension Center established a portable, mobile working unit complete with labor. The essence of the concept and activity was to evaluate a totally mobile system that supplied two major components lacking in the cattle handling process: facilities and labor.

The essential pieces consisted of a portable working tub, chute/scale, and two holding pens, each capable of holding about 120 yearlings. In order to operate such a unit, and assuming local demand would warrant its use, we set about working cattle.

We visited 15 different sites for seven beef operations, the closest being 60 miles away and the farthest being more than 300 miles away. The team traveled 2,310 miles and worked 1,448 calves, over eight days. The total cash costs for the process follow.

The 2,310 miles were covered with three heavy tow diesel pickups. The current estimates on vehicle cost include, 14.5 cents per mile for operating, 6.5 cents per mile for depreciation and 19 cents per mile for replacement costs. The total per mile charge was \$.40 per mile or \$924 per vehicle for a total of \$2,772 for the three pickups. On a per-calf-worked basis, mileage was \$1.91 per calf worked.

The total labor team consisted of five persons, and each worked 100 hours. At \$10 per hour, the labor charge was \$1000 per person for the eight days, work was accomplished over six weeks. Five team members cost \$5,000, or \$3.45 per calf. The team spent two nights on the road and incurred eight days of travel costs at \$250 per person or \$1,250 for the team. The team lodging and food expense was 86 cents per calf.

The total per calf cost to conduct the on site assistance was \$6.22 per calf. This included per calf costs of \$1.91 for mileage, \$3.45 for labor and 86 cents for lodging and food. All other costs, such as vaccine and tags were supplied as a normal expense to the producer. The fixed cost of equipment is not included.

This was a very vigorous test for the "SmartCow" team. The test was long and hard, intended to check the durability of equipment and crew, and all survived no worse for the wear. The herds worked were spread out with the desire to get a feel for maximum costs and durability.

This coming year, by restricting distance to 200 miles one-way, labor, travel time and mileage will be reduced and unit efficiency will be increased. Given our estimate of the best day, working 350 calves within 60 miles of the Center, the costs were \$144 for mileage, \$600 for labor and \$100 for food. In this case, the cost per calf was \$2.41. Traveling another 140 miles would add approximately \$2 in additional mileage and travel time per calf for a total of roughly \$4.50 a calf.

Without local teams to service the cow/calf industry, our estimated bottom line to put a regional crew serving herds within 300 miles of the host site (five people on the road, along with mileage, some lodging and food) would be \$6.22 per calf. Restricting the team to less than 200 miles, the labor, mileage and per diem costs would be estimated at \$4.50 per calf.

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 BT0144.

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# SmartCow Costs Per Calf

Mobile working cattle facility with a crew of five

	Within 300 miles <sup>1</sup>	Within 200 miles <sup>2</sup>
Labor per calf	\$ 3.45	\$ 2.80
Mileage per calf	1.91	1.40
Per diem per calf	.86	.30
Total operating costs per calf	\$ 6.22	\$ 4.50

<sup>1</sup> Based on 180 calves per day

<sup>2</sup> Based on 350 calves per day