

Focus on Profit Items for Successful Beef Production

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Producers know the complexities of the cattle business. Sell steer calves off the cow or background them? Sell heifers in the spring or breed them and sell them in the fall? Feed cull cows or sell now? The list goes on. There are many options within any operation.

One of the most complicated problems in the beef industry is the "all or none" philosophy when it comes to working cattle. When a particular operation or activity needs to be done, everything possible is done at the same time, allowing for efficient use of labor and time.

The "all or none" philosophy seems efficient, yet producers must remember money in the cattle business is made one calf at a time, one cow at a time, one bull at a time. Sales efforts need to be geared toward obtaining maximum value and still living with common sense restrictions on time and labor.

A recently retired successful cattle producer, Bill Stegner of Rhame, recalled his efforts to make efficient decisions regarding every operation within the ranch. He is not afraid to admit the cattle business was good for him. (I would add that he was good for the cattle business.)

Bill's specialized approach to total ranch productivity made sure decisions improved the efficiency of each enterprise. Bill said, "Don't get hung up on a multitude of efforts, but identify those most important to the survival of the operation and focus on those."

Bill's first priority was the management of the herd's females. "There were two advantages from this operation," he said. "The best-producing females always went back into my herd and a high number of bred cows were sold."

His focus went beyond steer calves. He was not afraid to put weight on cull cows through aggressive barley feeding. He marketed culls through the local professional sale rings and his cows topped the market both for terminal sale and bred cow sales. If Bill was to share his secrets, I

suspect managing money and the source of that money were the keys to his overall success.

Is it better to sell grain or feed it to cattle and market them? Should you feed the grain to fat cattle or breeding cattle? How is taxable income different in selling fat calves or breeding cattle? Answers to these questions and more provided Bill with the data to think through all the options and formulate a marketing plan that captured the greatest after-tax income.

By the time all the chores get done, and the personal errands gathered, many operators close the books for the day and skip a good review. In addition, tremendous effort can be put into raising a particular type of cattle, and all the effort lost in the "all or none" philosophy.

Integrating the grain and cattle industries was a philosophy of Bill's. He noted that the use of fertilizer and heavy seeding rates generally produced an abundant stand of grain and straw. Custom combiners and good large round balers filled the grain bins and straw shed. Barley and straw were as important to Bill's success as cattle and fence were.

Not all cattle producers are given the same ingredients to mix. A common thread among successful producers, however, is a thorough appreciation for resource management and the inherent ability to take low-priced grain and forage and convert it to a higher valued product in the form of beef, both for breeding and for the market.

In Bill's case, he found all his ear tags, and then some. May you find all yours.

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 BT0160.

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