

## Gain is for Profit, Not Cost Recovery

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The cost of doing business is a phenomenon that is still pondered in the beef business. Several years back, efforts were made by the industry to clarify and bring some common terms to those keeping records. Many will remember the letters SPA, an acronym for iStandardized Production Analysis. These efforts, supported by many in the industry, continue to limp along. Certainly great rhetoric, but more is needed.

Today, the industry is again challenged, pondering the cost of implementing technology within the industry. Interestingly, comments are shared back and forth and are as diverse as the number and type of cattle breeds available to cattle producers.

One very prominent point that seems to be repeated is the difference between adding steps to production practices currently being utilized versus the complete commencement of new production practices. Sentiments vary considerably, to patience within the industry, to the extreme of leave them in the dust.

Understanding cattle production between regions within the United States can be and generally is as diverse as understanding production principles between different countries. The bottom line to most discussion is still a seat of the pants approach and moves quickly to the political arena. At the Dickinson Research Extension Center, we frequently move cattle. As a result, we are able to track items not generally tracked by commercial cattle producers. The data we have collected gives benchmark values to the cost of moving cattle and other associated costs.

Cattle identification is a hot topic at present. As this discussion mushrooms into a mandatory system imposed on the industry, producers need to keep their options open.

One concept that has been advanced within the industry is gathering cattle to a common point and applying the identification at that point. Such an approach would eliminate the need for individual producers to purchase and handle the electronic equipment needed to read the electronic identification (EID) tags. (This could also provide some marketing alliances for producers.)

One point many people tend to overlook is the loss resulting from handling cattle. Shrink is invisible to the average

cow calf producer, but shrink is a direct cost.

DREC data from last fall reflects the cost of handling quite well. On Nov. 6, the Center gathered, sorted and weighed 40 steer calves. The calves averaged 572 pounds in the pasture, with a maximum of a half-mile walk to the working facilities. The calves were loaded on two gooseneck trailers and hauled just over 70 miles to the Hettinger Research Extension Center, unloaded and weighed. They weighed in at 560 pounds. Shrink, if calculated at this point would have been 12 pounds per calf or just over two percent. Actually very good, and the calves were doing fine.

The calves were started on a trial after an acclimation period of four days. The calves were weighed on Nov. 10 and averaged 556 pounds and again on Nov. 11 and averaged 552 pounds. The Nov. 11 weight was 20 pounds lighter than when the calves were on pasture. The calves started gaining weight and averaged 715 pounds when shipped to the feed yard on Dec. 30.

In the end, the calves lost weight for five days, and they did not gain the weight they should have had they never left home. The calves pre-weaning average daily gain was 2.7 pounds per day so the lack of gain for five days accounted for a loss of over 11 pounds per calf. Combined, the 20 pounds lost during acclimation to a change and the 11 pounds on no gain resulted in losses of over 30 pounds.

No one debates the need to move cattle and the need to process and work cattle, but an understanding of all costs is needed for a fair transaction of dollars to take place. Calves are living, changing and growing entities. The dollars are made in growth, and are meant to be profit, not cost recovery.

May you find all your USAIP 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 BT0190.

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## The Cost of Moving Cattle

November 6	Pasture weight	572 lbs.
November 6	Receiving weight	560 lbs.
November 10	Weight check	556 lbs.
November 11	Weight check	552 lbs.
December 30	Ship weight	715 lbs.