

Be Ready for the Big ìSwooshî

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These are busy times in the beef industry with many emotions and possibilities; happy and sad, great and poor. These are all ends of a swinging pendulum that, regardless of what you do, will not stop.

If you do things wrong, the sweep will eventually knock you off the table. Even when you do things right, the rules may change, nature may bite and the swoosh of the pendulum will be heard in the background; swoosh, swoosh, swoosh. Beef production is a management chess game, producer against the pendulum, but nevertheless a great game and a great business.

The cattle business continues to be a powerful force in the food supply chain for today's population. Additionally, there are indications of strong financial opportunities, at least for the near future, if managed right.

Management increasingly means sorting more numbers than the average mind can hold. Perhaps the industry is much like the person carrying a large key chain, but then pondering at which key fits which door. Data is welcome at any management meeting, but utilizing it is often more complicated than collecting it.

At the Dickinson Research Extension Center, a quick review of the fat cattle market and how the DREC steers have done provides a feel for the industry. The Center feeds all its calves to harvest and electronically tracks the data from conception to harvest.

If the DREC is not careful, the data, which is extensive, can surpass the Center's ability to sort it. In picking up the feedlot file for last year's calf crop, the first fiscal note, beside the feed and yardage bills, was a notification of a dead calf. Shortly following was a credit for a realizer, a poor performing calf with no future in the feedlot. The calf sold for \$282.85, but that was more than the one left in the backgrounding lot which we sold for \$10.

Another dead slip, bloat, but things start to get better for the remaining 166 steers on feed. In March the first lot

of steers sold for an average of \$929, with the top of the lot hitting \$1098 and the low selling steer at \$781.

A week later, the steers averaged \$889, with a \$1021 top and \$748 bottom. In April, several sets of steers went to harvest. The early set averaged \$961, with a top of \$1136 and \$804 bottom. The mid-set averaged \$920, with a top of \$1166 and \$795 bottom. The late April set averaged \$952 with a top of \$1197 and a \$789 bottom.

In early to mid May, the first set of steers averaged \$1024, with a top of \$1262 and an \$834 bottom. A few steers remain to be harvested, but the late May sales averaged \$1121, with a top of \$1280 and a \$1005 bottom. I like to keep things simple and pull out old numbers and goals.

The Center's goal has been to keep cows and background calves for less than a dollar a day. For \$365 a year for a cow, plus \$50 for backgrounding a calf for 50 days and a feedlot bill plus transportation of just under \$270, total cost for the operation should be around \$685. To be conservative, let's say it costs \$2 a day to conceive, produce and harvest a calf every 365 days.

Efficient operators will be quite a bit under this number. For others the pendulum is still swinging, but in today's cattle market the big final swoosh always is a bit muffled. Right now for the Center, with the dollars coming in on at least half the calf crop, the steers exceed \$950, leaving \$200 plus dollars to pad the swoosh. More next time.

May you find all your USAIP 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 BT0200.

Carcass Values of 2003 Steer Calves

Dickinson Research Extension Center

Date	Average	High	Low
Mid March	929	1098	781
Late March	889	1021	748
Early April	961	1136	804
Mid April	920	1166	795
Late April	952	1197	789
Early May	1024	1262	834
Mid May	1121	1280	1005