

A Shining Star - Zero Dollar Feedlot Treatment Costs

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Something not heard of recently is the term “cow costs.” Such a statement seems somewhat bizarre, given all the media attention Integrated Beef Management (IRM) and Standardized Production Analysis (SPA) received not that long ago.

Interestingly, when I flipped through the current Cattle-Fax issue, the first words to pop out of the publication were “Cow costs climb in 2005.” In fact, rather noticeable is the tall, black line at the end of the figure titled “Annual Cash Cost per Cow,” indicating that 2005 was the most expensive year for cows since 1988, the first year on the graph.

Sometime in the mid, 90s, and even before, the industry was very focused on cow costs. As noted, that was when IRM and SPA were being developed. Yet today if one was to ask a typical producer what IRM or SPA meant, the only response would be a blank look. Ironically, things change, but even more ironic is how fast the mind forgets.

Cows do need to pay their bills. If the cows don’t pay their bills, the producer will go out of business. The cattle industry has become a high-cost industry and the ramifications already are evident as producers start tracking costs again. Sadly, the bottom-line numbers for too many operations is still seat-of-the-pants estimates rather than a detailed financial and economic analysis geared to answer questions.

So what are the costs and what are the more pointed challenges? That is a big question and more details will emerge later, but for now rest assured that as history repeats itself, high-value cattle significantly impact the bottom line when the herd needs replacements. In addition, inflation always increases costs in all respects, and anything that seems to need a significant dose of petroleum-based products likely will increase in cost.

But for now and at this time of year, producers need to know what impact they can have on cow costs. The biggest factor looking most producers in

the face today is the bull turnout date. The bull turnout date sets the calving date and all associated events for the year.

To answer that question, a thorough evaluation of studies involved with beef systems would be warranted. Recently, a number did catch my eye and caused me to think again about later calving. Realizing that the sale date needs to be adjusted to maintain gross income dollars that are based on the weight of the calf, the impact of calving later seemed to lean heavily on the lack of labor. However, for the last two years, the Dickinson Research Extension Center has held over a set of calves as yearlings and sent them to the feedlot late in the fall as long yearlings. The two lots of calves arrived at the feedlot on Nov. 5, 2004, and Nov. 11, 2005.

The first set of calves grossed \$1,093 per head and the second set of calves grossed \$1,223 per head on the rail. The eye catcher was that both lots had zero dollars for treatment cost in the feedlot. Meanwhile, the treatment cost per head for the spring-born, fall-fed calves in 2004 was \$15.16, \$12.48, \$5.16, \$17.80 and \$14.61 for the other five lots in 2004. The 2005 treatment costs are not known yet.

During a period of escalating costs, it is nice to see a spot of reduced costs. In this case, calves sent to the feed yard as yearlings fed well and lived well. Granted, this is not the whole picture, but the yearling program is tied to the bull turnout date as the program fits later-born calves. Just a thought among the business of too many numbers on some days, but it’s always good to pass on a shining star.

May you find all your NAIS-approved 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 BT0294.

Gross Value and Feedlot Treatment Costs of Long Yearlings

Lot Date	Gross Value/Head	Feedlot
November 5, 2004	\$1,093	\$0
November 11, 2005	\$1,223	\$0

NDSU Dickinson Research Extension Center calves kept until yearlings and shipped late in the fall.