

Grass is Not Free

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Summer in the beef business is turn out time. If we are not careful, some would conclude that it is the time of year when we don't need to feed the cows.

Summer would seem to be the time when cash costs are less and the pocketbook is not being called upon as frequently to pay the bills. The summer focus is the processing, hauling and storage of next winter's feed.

However, summer can be expensive. The costs of raising crops and forage are working their way into the system. The cow still is eating and those bites of grass in the pasture are not free.

The 2006 report of the North Dakota Farm and Ranch Business Management program (<http://www.ndfarmmanagement.com>) detailed cow feed costs. The typical producer spent \$257.83 feeding the cow. A little more than 31 percent of that total was related to pasture costs.

Sorted on net return per cow-calf pair, the low 20 percent spent more on total feed (\$292.59), with 29 percent (\$85.08) of the bill attributed to pasture costs. The middle 40 percent to 60 percent spent \$256.95, with 35 percent (\$89.96) of the total feed bill attributed to pasture costs.

The 20 percent of herds that had the greatest net return spent a total of \$227.31 on total feed, with a little less than 30 percent (\$67.60) of the total feed costs attributed to summer grazing for the cow-calf pair.

The assignment of a value to pasture is important and relevant to the analysis of the total operation. The costs do influence the bottom line of cattle operations.

In terms of cost per animal unit month (AUM) as reported to the North Dakota Farm and Ranch Business Management program, the average cost, based on net return per cow, is \$13.23 per AUM. The bottom 20 percent paid \$14.06, the middle 40 percent to 60 percent paid \$15.30 and the top 20 percent paid \$11.17.

These numbers are not all based on market demand because not all producers are actively bidding for pasture. Some are assigning a value to their own pasture.

An exact cost conclusion is difficult, but cow-calf producers are focused on pasture and range production. This was the second priority for producers, as documented in the publication "Priorities First: Identifying Management Priorities in the Commercial Cow-Calf Business," summarized and authored by Tom Field, Ph.D., Fort Collins, Colo.

What is interesting, when it comes to pasture and range, is that the stocking rate was the highest ranking subcategory, followed closely by timing and duration of grazing. Monitoring cattle performance and plant species ranked considerably lower than the first two subcategories.

In commercial cow-calf production, the stocking rate is compared with calf weight to feeders. The bottom line is that pounds and stocking rate, at least to the naked eye, are equivalent to the pounds of beef on a given amount of land.

The duration of grazing determines how long the pounds will be (not can be) on a given amount of land. This creates a dilemma.

While pasture and range are a very high priority, there is no indication of long-term grazing practices being beneficial to the health of the plant community. In the same breath, the associated appropriate stocking rate and grazing duration that produce a realistic quantity of beef need to be in the same equation.

In a perfect world, all four subcategories should rank the same. In reality, calf performance and plant species composition are essential for monitoring stocking rate, and timing and duration of grazing.

But that is the perfect world. We all know that pasture and range are very complicated fundamental aspects of beef production. It is reassuring that they rank high.

May you find all your ear tags.

Your comments are always welcome at <http://www.BeefTalk.com>. For more information, contact the NDBCIA Office, 1041 State Ave., Dickinson, ND 58601 or go to <http://www.CHAPS2000.com> on the Internet.

Average Costs Per AUM

North Dakota Farm and Ranch Business Management Program.

Group.....	\$13.23 per AUM
Bottom 20%.....	\$14.06 per AUM
Middle 40 to 60%.....	\$15.30 per AUM
Top 20%.....	\$11.17 per AUM

Annual Report 2006 State Average, North Dakota
Farm and Ranch Business Management Program
(www.ndfarmmanagement.com)