

BeefTalk: Efficient, Fast-paced Growth?



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Where do we go in the grass, cow and beef business? The beef cow stands in the middle between grass and beef. Time stands between grain and grass. Dollars stand between time and profit.

A few more thoughts as producers struggle with the future and, perhaps, the reason for the unknown future of the industry. Efficient, fast-paced growth has been a key to the beef business. For efficient, fast-paced growth, 30, 40 and maybe even 50 years of selection has occurred. Cattle changed and so did the money side of the business.

Ultimately, producers changed, as did structure, facilities and all that goes with efficient, fast-paced growth. The money side worked, but the road forked. Today, that fork certainly is causing concern. The fork requires a decision to be made. Does one stay the course or make a turn? For every decision, there is a consequence. That consequence comes in four outcomes.

As a producer, one can stay the current course and the industry does not change. A producer can stay the current course, but the industry does change. A producer can change the operation, but the industry does not change, or one can change the operation and the industry changes as well.

The choice determines when one exits the business. Unfortunately, the reason cow numbers are going down is the result of a fifth option, which is to leave the business. Producers, depending on where they are in their personal goals, evaluate the risk of change and decide the risk is greater than the benefit, so they sell the cows.

Well, the assumption in the grass, cow and beef business is that not all producers will bail. So what should we do? The future moves gradually, and reading the crystal ball always will be cloudy. For now, the information that says to stay the course is well-known.

Making the turn on the cow side is nerve-racking. The cow business appears to be moving further into low-cost, grass operations that generate calves that will have increased flexibility to stay on grass longer. The calves even may spend their entire lives on grass. Some will say that's impossible, but there is a need to understand the thoughts that go with a new path.

Let's go back to the basic premise that efficient, fast-paced growth means profit. There are challenges with the turn. Efficiency is grain-based, and the fast-paced growth was not only evident in the calf, but also maintained in the replacement heifers and bulls. It goes without saying that this is the cow base we have to work with today.

In addition, carcass merit or specifications are real. Value on the rail will continue to be based on carcass merit. The end markets have specifications that will not change. To make this move as a cattle producer, one needs to look very seriously at gradually shifting to genetics that have a positive influence on the production side of the equation, as well as maintaining current carcass specifications.

The more popular approach is to change management radically. This will force a producer into a modified production plan. The most popular plan is changing the calving date. This is an obvious change because the shift in calving date moves the entire cow nutritional plan and how these nutritional needs are met.

The important, but sometimes missed, point is that the nutritional plan was shifted, not changed. The daily nutrient requirements of a cow are based on cow production and size, not time of year. There are obvious adjustments due to weather, but the base requirements do not change.

Yes, cow size and production levels should be mentioned. The second most popular change is to reduce cow size, which actually lowers the nutritional needs of a cow. Again, the base requirements did not change, but the quantity and, perhaps, quality of the nutritional needs will change.

So, the turn in the road often involves two big changes, which are a shift in calving date and a downsizing of the cow. Those changes are geared toward moderating environmental effects during peak nutritional requirements. This allows for efficient, fast-paced growth, but in a new paradigm.

It is at that point where we will pick up next time. For now, enjoy some sun and the hint of warm weather.

May you find all your ear tags.