

Beef Business Profit Involves Precious Management Skills

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How would you increase net return to your cow-calf enterprise? That's the million dollar question.

The simple questions have been answered. The tough questions still need answers—and those tough questions in the cow-calf enterprise involve the development of new production systems.

In the cow-calf enterprise, the common denominator (at least what producers speak most often about) is the weight of calves weaned. While weight is the easily measured statistic, the weight of calves at weaning says a lot about genetics and the forage provided during the calf's growing season. Neither, however, ultimately predict net profit..

Net return is very much dependent on the situation or environment from which the question is asked. I recently asked my co-workers for some of their thoughts about ways to improve the cow-calf production system, and their response centered on three areas:

- Implement a 12-month pasture-forage system that evaluates nutrient delivery, efficiencies and system economics.
- Find methods to reduce replacement heifer development and cow wintering costs while maintaining or enhancing reproductive performance.
- Evaluate the effect of calving date, weaning age and pre-shipment management on subsequent performance of calves in the feedlot.

Developing intensive and extensive cow-calf production systems to evaluate these scenarios would be an exciting activity involving considerable time and people.

The first response, the 12-month pasture-forage system, is based on the need to effectively manage forage nutrient costs per month while maintaining or improving the overall biological efficiency of the production unit. In this case, the production unit is really not the cow, but the forage base. Various combinations of complementary forage, feed resources and harvest methods will all interact to ultimately maximize net return to the cow calf enterprise. If you think of your own operation, of all the forage crops, do you know which combination would provide you with the best growth on your calves and cows?

Research has shown it's not just the type of forage. Optimum gains for livestock depend on when forage is planted, when it is grazed and/or when it is harvested for later feeding. Some of these scenarios lead into the second response.

As total annual nutrient costs are a function of the cost per unit of nutrient ingested and reproductive efficiency, what is the best method to reduce replacement heifer development costs and cow herd winter feed cost? Do you know what the two largest costs are for a cow calf producer? They are the cost of replacement heifers and winter feed costs. Minimizing those two costs could almost assure profit for the cow calf producer. To confound matters worse, to really maximize profit in the cow-calf enterprise, timing calving, weaning and finishing of the calves to fit your operation is critical. Calving and finishing data indicate that calving date and weaning age have a marked effect on market adjusted net return to the cow-calf enterprise.

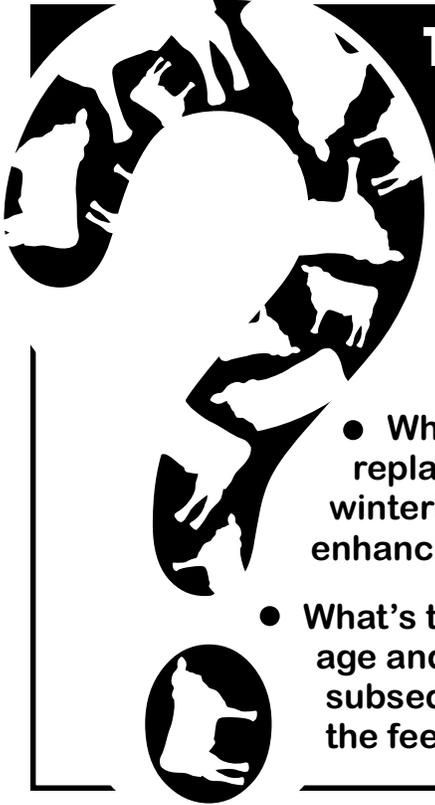
Net return can be markedly affected by management practices that alter the rate of gain and duration of time on feed.

It is a circle of interaction: knowing when to calve and not to calve and understanding that weaning management can also influence the dollars available for profit to the cow calf enterprise, particularly when calves are fed to final harvest in retained ownership beef alliances. Those who think raising cows is just opening the gate and letting bull in are grossly mistaken. Today's complex production and financial environments of the beef business require skilled management and precision decision making.

Seeking the answers is a constant occupation for those trying to keep their head on straight in the beef business. Good Luck.

May you find all your 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 BT0090.



Three Key Questions in Your Quest for Profit in the Beef Business

- What's the best 12-month pasture-forage system for nutrient delivery, efficiency and economics?
- What's the best method to reduce replacement heifer costs and cow wintering costs while maintaining or enhancing reproductive performance?
- What's the effect of calving date, weaning age and pre-shipment management on subsequent performance of calves in the feedlot?