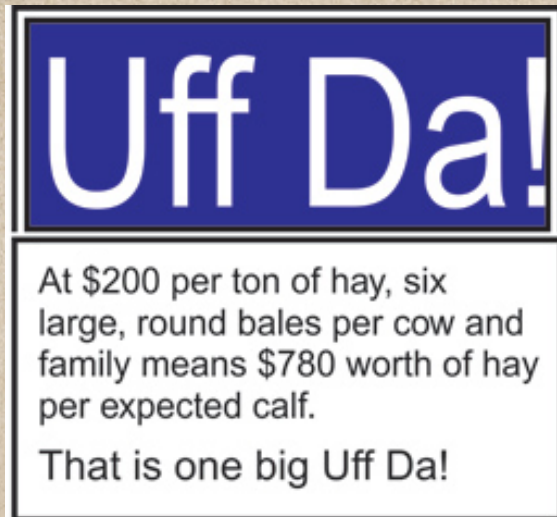




BeefTalk 626: Uff Da!



Uff Da!

At \$200 per ton of hay, six large, round bales per cow and family means \$780 worth of hay per expected calf.

That is one big Uff Da!

Hay can be purchased, but the checkbook may not be deep enough.

Seven hundred eighty dollars' worth of hay for a calf: uff da! Seasonal and yearly trends repeat. In fact, in 2008, the same concerns were very evident as the hay yards were empty.

If one drives around much of the country, 2012 is a lot like 2008. The traditional summer hay is somewhat scarce in many areas and, in some areas, nonexistent. Maybe some solace can be found in the fact that we survived previous dry spells, so we also can survive this one.

Unfortunately and with much regret, not all producers will be able to survive. Hay can be purchased, but the checkbook may not be deep enough. If one is to maintain a cow herd, the hay yard needs hay. Pricing hay is difficult, and this year is no different. It goes without saying that prices will go higher. In fact, at the center, pricing hay or establishing contracts for

hay always is a challenge.

When hay is plentiful, there may not be a market for hay. The hay yards will fill with copious quantities, and it is not unusual to put up enough hay to have a year's hay crop carried over for next year.

In years like this, the complete opposite is true because the hay is gone. For those who produce hay, this is a good year if some hay was put up and is available for sale.

The challenge with hay is that it is hard to project. A feedlot knows how much grain it needs year in and year out.

Cow-calf producers need to keep a tight handle on their livestock inventory because the hay needs are in direct correlation to the amount of animals that need feed, which is not consumed until after the growing season has ended.

Last year, the center bought more than 225 tons of alfalfa at \$50 per ton. That was even on the low side of the center's seasonal hay purchases through the years. Two years ago, the center paid \$65 per ton for alfalfa and

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grass/alfalfa mixed hay.

During typical normal years, the price tag has been in the \$60- to \$70-per-ton range. Good grass hay at \$30 to \$40 per ton also has not been unusual through the years. However, all that has changed.

The center recently purchased alfalfa hay cubes at \$185 per ton and felt that was a good price. The center is looking at the cubes as a supplement, not the main hay ration.

The Ringwall drive-by approach to hay inventory figures that there ought to be one large, round bale for every cow and month one is planning on feeding.

Obviously, the nutritionist will point out quickly that we need to know bale weight and the real need for a quality analysis. The veterinarian community will note the need for nitrate testing and monitoring for any other health concerns if the producer is using poorly prepared hay.

However, for a generic starting point, the Ringwall method works. Also, the bales generally come in pretty heavy, so there seems to be enough extra weight on the bales to make sure there is some hay for the calves, bulls and a few horses.

If the center tries to maintain 350 cows through an anticipated six-month feeding period, the bale count should be 2,100 bales. That would mean feeding cattle from November through April. For a large part of the upper Midwest, those dates coincide with the time forage does not grow.

If we estimated the bale weight at 1,300 pounds, the center would need 1,365 tons of hay. The center would spend \$136,500, or \$390 per expected calf, if the center bought the hay at \$100 per ton. At \$200 per ton, the cost would be \$273,000, or \$780 per calf.

Uff da! That is not going to work.

Last year, the center would have supplemented raised feed with approximately 350 purchased bales. The year before, it would have been 700 bales. Fortunately, those purchased bales have kept some hay in the hay yard, so the center will survive.

During the last dry season, the center put up approximately 400 bales. The difference is simple math. We take the 2,100 bales we need, minus the 400 we have, which means the center needs to purchase 1,700 bales.

For many producers who are surrounded by drought, the transportation costs are prohibitive. The current price of hay is \$100 to \$200 per ton. However, that doesn't include trucking. That is an uff da!

There are a few price quotes coming in at less than \$100 per ton. However, there are a considerable number of quotes coming in at more than \$200 a ton. Let's stop right there and take a deep breath and mutter uff da!

After adding up the per-cow purchased hay cost last year and this year, the center spent about \$60 per cow. With carry-over and production, the center will be OK. However, current hay prices are going to be hard to justify. Uff da!

May you find all your ear tags.

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