

Beef Talk: Grass and Beef - The Future?

Where do we go?

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Time stands between grain and grass.
Dollars stand between time and profit.

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Everyone wants to know what the future holds, but given the paradigm shifts, many trend lines composed of historic data points are not there.

One can only speculate, especially when it comes to the future. However, one item that is not speculation is the fact that we are changing.

Reports continue of high grain and beef prices and the subsequent acknowledgement that cheap food prices very well may be a thing of the past. Everyone wants to know what the future holds, but given the paradigm shifts, many trend lines composed of historic data points are not there.

Are we sailing without a map? A scary thought as we look to the future, but also a time to go back to the basics. As a producer, one has to determine what camp you are in. That is best done by looking at income and costs.

Where does your money come from? To address the basics, seek input from those who are in the same camp as you. In other words, if your dollars come from grass, then seek out other grass producers. The same holds true if your dollars come from cows or from beef.

The choir will roar that we are all beef producers. However, there are some very real subtle differences among those who plant and manage grass, those who conceive and market calves and those who buy and sell beef.

Grass-root businesses often are based on inputs and outputs or expenses and income. Those involved in the process of buying and selling beef also depend on expenses and income. However, they also work with margins and a notebook full of financial tools. These financial tools are available to all and so are the skills of managing expenses and income.

However, you will find that those who tend to be more involved in the initial raw grass product or the bawling calf really try to hold costs down. Those who buy those bawling calves will tend to focus on break-evens and margins, and engage appropriate financial tools to minimize risk and capture profit.

Thus, the thought is that money can be made while prices are low or high. In the ideal world, with unlimited capacity to learn everything, we should be able to capitalize on the best and then succeed. Unfortunately, we all live in the real world and the tools that we have are not always available to us.

Yes, the beef business will continue, but balancing the inputs and outputs are becoming increasingly difficult. The gradual increase in grain prices has caused many to rethink the foundation of the beef business. Is the beef business a grass or grain business? Decades have passed us by as the availability of grain has been unquestioned.

We still see producers, industry, research and educational folks holding on to trend lines that are running out of data. Trend lines need to be reviewed and new data needs to start populating the data sets. Where do we go in the grass, cow or beef business? The beef cow stands in the middle between grass and beef, while time stands between grain and grass, and dollars stand between time and profit. So, beef cow numbers continue to decline even though their value is rising.

Grass production needs to be harvested. Grain production will increase to supply food and energy needs. Cows have value, but even when many of us want things to stay the same, they are not.

Cows will appear to move further into low-cost grass operations that generate calves that will have increased flexibility to stay on grass longer or even spend their entire life on grass. Some will say that's impossible, some will say not so, but times are changing, so the need for more data points to understanding this change is real.

The beef industry will not change overnight. The core grass plant species and genetics of the beef cowherd have developed through a very long time and only change in gradual steps. Knowledge takes more than a decade to get into school curriculums. However, we need to start rethinking and today is good as any to begin.

May you find all your ear tags.