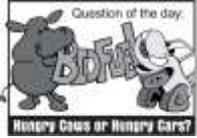


BeefTalk: Biofuel and Beef Cattle Systems



Question of the day: Hungry Cows or Hungry Cars?

What is the impact of changing biofuel policies on production agriculture?

Beef cattle systems are the key to beef cattle management. What type of system or, more simply put, how that system is defined determines the daily operation of the unit.

In recent discussions, various options or modifications have been discussed about calving season and cow size. When changed, both have the significant capacity to affect how an operation is managed.

As early as 1995, the Dickinson Research Extension Center considered changes to the beef cattle system that was in place. Changing a beef cattle system requires a lot of input from all facets of the operation.

In the academic world, that process is called modeling. If a person changes one piece of the model, how does that change affect measureable outcomes? Perhaps a more recent example of the use of models is the evaluation of biofuel policy in the United States.

A report, "Renewable Fuel Standard: Potential Economic and Environmental Effects of U.S. Biofuel Policy," highlights findings and model projections on how the world we live in would be impacted by changes in biofuel policy. Many would quickly ask what biofuel policy has to do with beef cattle systems.

The point is that the process is the same for the two. The ability to generate accurate projections depends on the ability to find accurate data to plug into models to generate reasonable projections.

The question that often is asked is: What is the impact of changing biofuel policies on production agriculture? The answer requires solid data, and so does the question on evaluating production costs and herd performance for late-spring (early May) calving in contrast to the traditional spring (late-March, early April) calving in southwestern North Dakota.

Asking a question usually triggers a quick response that implies a simple answer is available. Seldom, if ever, is that true. Determining biofuel policy and its impacts on beef production systems is not simple.

Asking if increasing demand for corn by expanding market options would change prices is a simpler question than determining the biofuel policy impacts on beef production. Nevertheless, the questions are real.

Implementing any change prior to the accumulation of significant data that is reflective of the question can lead to questionable and damaging results. These questionable results may lead to impacts on auxiliary industries that may be positive or negative. Therefore, some questions that appear simple can become difficult.

Does the renewable fuel standard impact beef cattle systems? Should a producer begin the tedious process of evaluating alternative systems, such as smaller cows and later calving, to allow for the increased cost of energy going into the producer's current system? Will biofuel policy change again and make it more difficult to know the impact of our nonagricultural demand for energy versus agricultural produce utilization in food systems, particularly beef cattle systems? What is the take-home message of these words?

Models, when correctly utilized, do work. Utilized correctly means that adequate data points are available to offer reasonable solutions to the questions asked. Unfortunately, data points can be subjected to assumptions that then are projected into the model.

In the process of sorting through all the assumptions and academic filtering, the answers may lead to more questions about biofuel policy and its impact on beef systems. It is days like this that one wants to ask mom or dad what they would do.

Cattle production has remained a business based on common sense. Inputs and outputs often are determined through daily evaluation. Feed contracts may be short or long term and errors in judgment buffered against slim or plentiful days. Sounds rather abstract, but reading long reports based on assumptions and limited data are no different.

However, in the end, common sense needs to prevail. As the truck drives past the ranch turnoff and the hay yard looks a little bare, one cannot help but wonder just who needs the biofuel. Is it the hungry cows or the hungry cars?

Hungry cows won't last long without fuel. The hungry cars can be parked until fuel arrives. As producers struggle to find and evaluate relevant beef cattle systems that work in today's world, the search for energy sources is real. However, just rolling the dice makes poor sense.

What would you do, mom and dad?

May you find all your ear tags.