# NORTH DAKOTA STATE UNIVERSITY

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NDSU Extension Service ND Agricultural Experiment Station

Marketing costs

Net marketed value

**Goal Achieved!** 

The Goal: \$1,000

of Income Per

Cow Exposed

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# BeefTalk: The Goal is \$1,000 Per Cow Exposed, Including Market Beef

# Adding pounds to the market beef is worth pondering.

By Kris Ringwall, Beef Specialist

NDSU Extension Service

Pondering and goals are good.

At the Dickinson Research

Extension Center, a goal of \$1,000 of income from every cow exposed was set. This income goal includes the calf and the market beef that a cow herd generates. If a cow does not sell a calf valued at more than \$1,000, the cow or heifer is sold with the same expectation of \$1,000 or more generated as market beef.

But in reality, earned dollars pay the bills and bring into question if the center's goal is realistic. The

#### columns

Spotlight on Economics: Spotlight on **Economics: Accessing Agriculture's** Big Data (2017-03-02) The general question appears to be "who can do what" with respect to agriculture's big data. FULL STORY

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# **BeefTalk:** BeefTalk: The Goal is \$1,000 Per Cow Exposed, Including Market Beef (2017-03-16) Adding pounds to the market beef is worth pondering. FULL STORY

Prairie Fare: Prairie Fare: Do a Snack **Checkup During March, National** Nutrition Month (2017-03-16) Healthful snacks can help fill nutrition gaps while keeping our energy levels high. FULL **STORY** 

#### use of releases

The news media and others may use these

Images The Goal: \$1,000 of Income Per Cow Expose \$1,052 per hea ....\$1,023 per head

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NDSU Agriculture Communication

center budgets are prepared, reviewed, implemented, reviewed, modified and implemented again because income and expenses drive the cattle discussions.

The center has driven down expenses by changing long-standing management options and replacing them with lower-cost approaches. Cost and income are both critical. Ideally, by driving costs down and income up, the wallet should grow.

This past fall, the center sought to add value to all beef leaving the center. For several years now, the center has added value to all calves by moving them into a yearling program with the goal of doubling each calf's weight at 18 months of age. That goal has proven successful.

Now the center's attention is turning to the cull cows and heifers, more appropriately termed market beef. In an effort to increase the value of the center's market beef, market cows and heifers were sorted off in early December and fed a simple ration of all the stemmy cover crop forage they could eat, plus 9 to 10 pounds of rolled corn morning and night for almost three months. The open heifers received alfalfa hay once a week.

This feeding regime continued until March 9, when they were sold at the livestock sale barn. Fifty-one head - two steers, 16 heifers and 33 cows averaged 1,333 pounds and sold for \$53,645.55, an average of \$1,051.87 per head. After marketing news releases in their entirety. If the articles are edited, the sources and NDSU must be given credit. costs, the cattle netted \$52,150.48, an average of \$1,022.56 per head. That exceeded the center's budgeted income goal of \$1,000 from the offspring or the cow. Not bad!

Costs are the other side of the equation and need to be considered. But at least we know the income can be achieved. However, costs are not an easy figure to get. But by assigning market value to feedstuffs, the calculations can be made and the end result determined.

Again, another "however" because forage that is in place at the ranch needs to be fed. It does for two reasons: first, to recover the costs that were incurred putting the forage up and second, to better utilize the beef facility. Empty pens still have an expense.

For many operations, costs are an allocation process and sometimes challenging to calculate. If the pens and feed are available, the equipment sitting and labor present, adding pounds to the market beef is worth pondering.

At the center, trailers and handling equipment are present to feed and haul cattle to market. The pens are there, and so is the feed. The center does not sell grain, so selling cattle quickly or penning cattle for additional gain requires careful pondering.

If one has some cows to sell, sell them, but ponder first if one should do something to push some more income into the system and recoup the cost of stored forage. Storing forage from one year to the next is a perpetual losing proposition because the feed gets more expensive to feed every year.

Seasonal price trends show the market always is looking for market beef. Producers always have some cows to sell. When a cow is determined to be market beef, the traditional response is to sell.

Old cows cause more problems. They already have difficulty keeping up with the herd and most likely wean a lighter calf, which are headaches for cattle producers. These headaches, and an innate sense to move poor-performing cattle quickly, tend to push producers to sell the cows. The "out of sight, out of mind" philosophy pervades, but if, in fact, weight can be added at costs less than the projected value of the gain in pounds, adding weight makes sense.

The beef production marketing objective is converting forage to pounds. In normal to good years, forage should be available. Granted, the market cows may not convert pounds of feed to pounds of beef as well as a feedlot steer, but if the cost to add pounds is less than the dollars received, a plus point is achieved. Harvesting forage costs money, so feed it.

The impact that the market cow and bull have on the cow-calf operations as cattle inventories are adjusted to bring in younger cows is very real. For most of us, selling cows and bulls that are no longer needed in the herd as market cattle, in a very similar way as the calves, can present another opportunity to increase farm and ranch income.

For the center, that was a check for \$52,150.48 for 51 head of market beef. The goal was met, forage and grain were fed, costs were recouped and each cow exposed brought the \$1,000 expected.

May you find all your ear tags.

For more information, contact your local NDSU Extension Service agent (https://www.ag.ndsu.edu/extension/directory) or Ringwall at the Dickinson Research Extension Center, 1041 State Ave., Dickinson, ND 58601; 701-456-1103; or Kris.ringwall@ndsu.edu.

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