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BeefTalk: For Every Cow, Add a Ewe and Increase Net Return 65 Percent

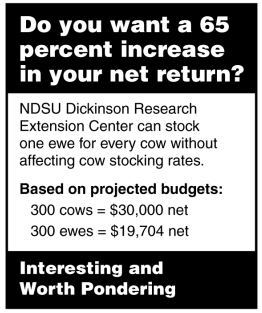
Sheep's biological needs fit very well with cattle.

By Kris Ringwall, Beef Specialist

NDSU Extension Service

Research has shown multispecies grazing may improve revenue flow, but the pace of agriculture oftentimes inhibits producer pondering.

Images



Do you want a 65 percent increase in your net return?

The challenge is that alternative production scenarios exist, but time must be set aside to evaluate these alternatives. Time is precious; however, pondering still should occur.

Recent Dickinson Research Extension Center sales caused me to ponder the concept of adding a sheep for every cow. The center sold market cows on March 9 for

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

BeefTalk: BeefTalk: For Every Cow, Add a Ewe and Increase Net Return 65 Percent (2017-03-30) Sheep's biological needs fit very well with cattle. FULL STORY

Prairie Fare: Prairie Fare: Be Aware of Grocery Store Psychology (2017-03-30) Plan menus and make a list before going to the store. FULL STORY

$68.24 per hundredweight (cwt), or $995.58 per head, and a market ewe on March 13 for $71 per cwt, or $113.60 per head. When adjusted for body weight, an equivalent weight in sheep was worth $1,035, or $40 more than the market cows.

A review of 2016 cow budgets (https://www.ag.ndsu.edu/livestockeconomics/Budgets) with Tim Petry, North Dakota State University Extension Service livestock economist, shows net return after total costs in the cow-calf enterprise is around $100 per cow. For a 300-cow operation, the $30,000 would be split among unpaid family labor, management and equity, and then a return on investment could be calculated.

Beef producers are squeezed for cash; the lucrative years are history, at least for now. So what can one do?

Well, here is my sheep side pondering. I recently asked Karl Hoppe, an NDSU Extension livestock systems specialist, what a typical response would be among livestock producers when asked how to deal with the current cash squeeze. His response noted an increase in herd size and more automation through more and larger equipment and specialization of cattle products. This means more selective markets with the hope of increased revenue per production unit.

Hoppe acknowledged the foundation of many producers is filled with fond memories of a farmyard fully occupied by numerous livestock, which has led us to the innate development of animal husbandry skills. Those

memories are often distant, but the concept of adding sheep to a cattle operation still exists for some producers.

Previous work at the Dickinson Research Extension Center revealed that for every cow on the operation, one ewe could be added with no reduction in stocking rates. Sheep do not compete directly with cattle when grazing a mixed-grass and forb forage base. So adding sheep offers production advantages. Those advantages help diversify grazing and grassland management.

But what about the dollars? A quick look at 2015 records from FINBIN (https://finbin.umn.edu/LvSummOpts/LvSummIndex) at the University of Minnesota is interesting. Gross margins for the beef cow-calf operation averaged $871.34 per cow, with an average net return of $181.29 per cow; the sheep market-lamb production operation averaged $254.97 per ewe, with an average net return of $65.68 per ewe.

Based on cow market weight, nine ewes make up one cow, which means an equivalent sheep gross margin would be $2,294.73, with a net return of $591.12.

Ponder this: If the $30,000 projected for a 300-cow operation is a bit shy on cash to distribute, why not add sheep? What would happen if the 300-cow operation added 300 ewes with a net of $65.68 per ewe? It would mean a year-end bonus of $19,704. I doubt most operations would have any reason to turn down the money.

Is this real or simple frivolous pondering? In 1983 and 1984 studies at the Dickinson Research Extension Center, Mike Humann and Don Kirby evaluated incorporating sheep with cattle. They noted, "While cattle are the predominant grazers of range and pasture in the northern Great Plains, sheep offer a significant untapped potential use of this diverse grazing resource. … Since the mixed-grass prairie provides an abundant variety of classes and species of vegetation, we questioned whether one class of livestock could make efficient use of this varietal abundance."

They found sheep diets complemented the grazing of cattle extremely well.

"The sheep production cycle, breeding, gestation and lactation of ewes compares favorably with the quality of forage selected seasonally by ewes," they wrote.

The biological needs of sheep fit very well with cattle. In 1990, James Nelson and others grazed ewes and cattle at the center, one ewe to every cow. They noted, "Grazing sheep and cow-calf pairs on native range … allowed both species to make normal growth without sacrificing either pasture quantity or quality."

So the complementary grazing of cattle and sheep is real, not simple something to ponder. If I can take a 300-head cow herd that has a projected net return of $30,000 and add 300 ewes and increase net return to $49,704, maybe I should ask some questions. I significantly increase net return per production unit by

more than 65 percent. Interesting!

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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Attachments

PDF - Do you want a 65 percent increase in your net return?
(NDSU_Extension_Service_BeefTalk_033017.pdf - 18.48 Kb)

EPS - Do you want a 65 percent increase in your net return?
(NDSU_Extension_Service_BeefTalk_033017.eps - 218.09 Kb)