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Management and economic considerations for beef cow-calf producers during challenging markets or adverse weather conditions

I recently received this fact sheet on management and economic considerations for beef producers written by Dr’s Jason Smith and Jason Banta, Extension Beef Specialists with Texas AgriLife Extension. I thought I would share it with you, however, it is long, therefore I will break it down into two articles.

The current COVID-19 situation has driven a decline in the value of calves and feeder cattle. Markets are expected to remain volatile throughout the foreseeable future. As a result, opportunities and strategies to minimize input costs are understandably on the minds of many producers. Managing cattle in the most economical way possible will be critical to the short- term profitability and long-term survival of many operations. Below is an outline of various aspects and strategies that producers should consider helping navigate these challenging times.

Some keys to success that hold true in all situations

* Forages and grazing programs serve as the foundation of most cow-calf operations. Because of the critical role that forages play in their success, sound grazing strategies and forage management practices are vital for operational success.
* Critically evaluate feeding and supplementation decisions to ensure they are cost effective and are consistent with animal health, welfare, reproductive performance, and production goals.
* Input costs should be critically evaluated and prioritized based on their potential return on investment (ROI), and risks associated with input reductions.
* Good record keeping is essential to accurately evaluate the operation and make informed decisions.
* Some basic spreadsheets designed to aid in tracking financial and production records can be found at <http://beef.tamu.edu>; click on publications, then spreadsheets, and then look for “Record Keeping Examples.”

Areas to pay close attention to during challenging markets or adverse weather conditions

* Critically evaluate annual cow costs and input changes that may affect productivity and profit or loss per acre.
  + Depending on market conditions, input costs, and weather, running fewer cows may result in more profit or less loss for the operation.
  + A spreadsheet that allows producers to build custom budgets to evaluate the impacts of stocking rate and weaning rate percentage can be found at http://beef.tamu.edu; click on publications, then spreadsheets, and then look for “Annual Cow Cost Spreadsheet.”
  + When evaluating budgets and making decisions, it is critical to be realistic about inputs, particularly as it relates to identifying appropriate stocking rates in various climates and the impact that pasture fertilization and other management strategies have on stocking rates.
* Make sure the ranch is not overstocked.
  + Being stocked appropriately minimizes the need for supplemental feeding and helps maintain cow body condition, which promotes reproduction and calf growth.
  + If the ranch is overstocked, evaluate economical methods that can be used to reduce stocking rate or increase forage production accordingly.
    - Strategic culling is an excellent way to reduce stocking rates. This strategy will be further discussed in a subsequent section.
    - In areas where forages are expected to respond to fertilizer, focus on fertilization to minimize protein and energy supplementation costs.
    - Employ strategic grazing practices and seasonal stocking rate adjustments to optimize forage use.
  + Utilizing insecticide treatments to control forage insects such as grasshoppers, armyworms, bermudagrass stem maggots, and others can be a critical component of sustaining forage production.
    - Routinely scout fields (when conditions are favorable for damage) in areas that have a history of struggling with certain insect problems.
    - Treating these insects is almost always significantly more economical than purchasing outside feedstuffs, and often results in a substantial ROI after accounting for potential untreated forage losses.
    - A spreadsheet for evaluating insecticide cost per acre can be found at http://beef.tamu.edu; click on publications, then spreadsheets, and then look for “Herbicide and insecticide cost per acre spreadsheet.”

Specific management and marketing practices that can be utilized to minimize input costs or decrease risk associated with market volatility

* Strategic culling
  + These situations often favor culling females and bulls that are not essential to the operation.
    - At the time of this publication, the cull cow and bull markets remain strong relative to feeder and fed cattle prices.
    - Culling the following animals will help to decrease total herd overhead and operating costs:
      * Females that are open (when they should not be), did not calve, did not claim their calf, or whose calf did not survive
      * Cows that have large teats or pendulous udders, poor hoof conformation, or recurring lameness issues
      * Smooth-mouthed cows, hard-doing cows that do not maintain body condition as well as their herd mates, or cows that are near the end of their productive lifetime
      * Cows with temperament problems
      * Cows that have previously had calves that exhibited health problems or poor growth performance, or calves that did not survive through weaning
      * Young cow/calf pairs that have utility for other operations as breeding stock but calved outside of your targeted calving season, if the market is favorable and justifies doing so
      * Bulls that are less successful breeders (low fertility or sire a small portion of calves in multiple-sire pastures), are excessively destructive, have temperament issues, have poor hoof conformation, or have had recurring lameness issues
      * In addition to these considerations, there are several other factors to consider when making strategic culling decisions. Additional considerations can be found at http://beef.tamu.edu; click on publications, then drought management, and then look for “Destocking Strategies During Drought.”

I will follow up with additional beef cattle management strategies in the upcoming weeks. If you have any questions related to this article please let me know.