

ON TARGET

by Justin Sexten, Ph.D.
Director, Supply Development

April 2017

Expanding cows or herds

As the cow herd expands, market prices contract from their record highs and focus more attention on adding value. How to do that commonly comes down to adding what the market values in health and weaning practices from effective vaccinations to bunk breaking. This month, let's consider ways to capitalize on the one trait common to all producers and market-price calculations: weight.

For years—and especially renewed in the recent cost/price squeeze—discussion has centered around reducing cow size and increasing cow numbers as a way to increase returns per acre. That's usually seen as more important than return per cow, but it makes some sense to look at both: how you measure profitability should vary by the most limiting resource. In land-limited operations, you can add value per acre through grazing management without changing the cow herd. Where land use is not yet optimized, more cows can increase pounds produced per acre.

Carrying capacity or stocking rate is a function of body weight and time. Simple as that, whether the cows are big, little or just right, their weight applied to a given land unit for a given time is stocking rate. If maximizing output per acres is your goal, you should incorporate a feedyard into the system. That's how to apply a really dense stocking rate to a smaller land mass to produce maximum pounds of beef.

That's outlandish for many cow-calf producers, but it leads us to consider adding value by increasing the time you take to capture the benefits of your genetic investment and management. You spend time deciding which bulls or genetics to buy, vaccines to give or dewormer to use, and that's only justified and reimbursed when you own the cattle though the time those decisions affect the calves.

Steer weights have been increasing steadily for decades, closely linked to sires yearling growth trends. All of this has increased cow size, but selling calves as they are weaned may not capture enough dollars from the added growth potential to offset keeping cost on the bigger cows. That's not a hint to go back to smaller cows and calves at odds with the market trend. Your cows will likely stay big, so why not add profit through their calves?

Owning cattle longer lets you capture value added through practices from conception to harvest. While cash flow, forage supply and labor resources may limit or rule out some options, the opportunities are there. Value addition tends to focus on the short term; have you considered the long term? Imagine yourself a feedyard operator or an order buyer. When your calves come up for sale, can you say this is a group you would buy, or would you hold back because something needs to change? Get back to the real world and change it. That may begin in the breeding season, health or other management. On the other hand, perhaps you realize you're ready to stay linked to those cattle, capturing the value you worked so hard to add.

Regardless of how or if you adjust stocking rates—more little cows or focused management on larger ones—the challenge of flexibility remains. Again, one answer is to take a longer view. Rather than selling cull cows immediately after they lose a calf or they're called open, consider adding condition and pounds by incorporating them into the grazing system or backgrounding yard. In the spring, a ranch sometimes cannot stock heavily enough to keep up with forage growth so consider exposing all possible replacement heifers. After an early-season pregnancy diagnosis, keep only those bred artificially or otherwise earliest calvers and sell the rest as heavy yearlings into the historically improving yearling market as the grass begins to dry up.

Late-weaning fall calves is another way to improve spring forage use while increasing pounds sold overall. Some argue that challenges the fall herd in rebreeding, but the cows better be settled before going this route. Just allow time for their third-trimester flush as you wean and sell those heavier calves into that hot yearling market this fall.

END