



Follow the money

The most important requirement for “sustainable ranching” is profit. No matter how many other things you do right, if you don’t have a plan for profit, your operation is not sustainable. If you’re in the cattle business to make money, you must look out for tomorrow as well as today.

Some decisions may save money in the short run while foregoing a lot of unrealized profit, or even costing money in the end. Genetic selection is a case in point. When all cattle are relatively valuable, you may be tempted to lower your standards when buying breeding stock, trying to stay under a ceiling price set a couple of years ago.

That’s a bad idea that can lower the value of your calves about the time all cattle prices start to slide. On the other hand, if you maintain quality standards and cull judiciously, your calves will hold their value better in a few years. Consider alternatives such as leasing and artificial insemination (AI) rather than buying lower quality bulls or females.

Discover the feedlot and carcass value of your calves through any of the growing number of alliances, or work with your auction manager to build links to buyers. Look for gaps such as lack of uniformity, postweaning growth, muscling or ability to hit premium quality grades. Then select genetics to add profitability.

You may have commercial purebred or “straight bred” cattle, but you’ve heard about the “free lunch” left on the table by not crossbreeding. This could be a time to try it, but only if you maintain the same quality standards and commit to a plan. You risk going backwards in genetics

and herd value if you buy a relatively unknown bull from an unfamiliar breed just to get breed complementarity and heterosis.

Reproductive traits are generally considered the most important in selection, but you must use multi-trait selection to maintain herd improvement. Use expected progeny difference (EPD) numbers from the breed associations to ensure you are at least maintaining calving ease, growth and carcass value, while holding the herd to efficient reproduction standards.

Milk EPD is a maternal trait that is also related to weaning weight and ability to breed back with available resources. It takes above average forage quality and quantity to support this EPD above breed average. Of course, if you do not retain replacement heifers, you don't have to worry about the milk EPD or other, less measurable reproductive traits in the bulls you buy.

Some other traits that are indirectly related to profit include longevity and disposition. For a herd that must buy its replacements, you want them to last. If you're building the herd from within, longevity may seem less important. But consider the added value of selling bred cows to satisfied repeat buyers. Poor disposition is associated with lower beef quality, makes routine management difficult and can cause costly injuries and equipment damage.

Whether crossbreeding or sticking to the same breed, your bull supplier may talk about antagonistic traits, where progress in one area often leads to setbacks in another. As weaning weight goes up, birth weight tends to follow, for example. Seedstock suppliers try to produce bulls that overcome these antagonisms.

Traits closest to birth are least influenced by genetics but more so by the heterosis of crossbreeding, and vice versa for carcass traits. Still, it's important to avoid selecting against the trend you hope to establish for carcass traits when choosing bulls for crossbreeding, because that will result in losing genetic ground in those areas.

You can increase profitability by culling the lower indexing cows for the combination of weaning weight and final carcass value per cow exposed to breeding. Take care to evaluate carcass values in constant dollars to make year-to-year comparisons valid.

If you are increasing the size of your herd by keeping replacement heifers, make sure they are all likely to produce more valuable calves than the cows they must replace. Every selection decision you make affects profitability.

Next time in *Black Ink*, we'll look at individual animal identification. Questions? Call toll-free at 877-241-0717.

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