



Don't shoot in the dark

Calves from your herd may be of higher or lower quality, but they aren't the same as last year's. If you carried out a plan that was based on accurate information, they're probably better. If the information was questionable, so is your chance for improved calves.

The second law of thermodynamics applies to herds without plans: Nature tends to move toward a state of greater disorder. Knowing that your operation and its output cannot stand still, you must set goals to avoid the aimless, downward drift.

A cash-flow budget is part of the plan, because farms and ranches don't make the same amount of money every month or year. Some use a computer for this task. Some use forms provided by their bank or Extension agent. Others try to keep it in their heads.

Paper or mental, accuracy depends partly on your ability to predict weather and prices. But it improves with experience in managing genetics, nutrition, health and market risk.

Many producers devise strategies for their cash-flow budget, to bring in the money when it is needed and to minimize the outflow. To cover a land payment in July, you plan to sell wheat. When you sell a share of calves in October, you pay off the cattle loan. It's always something.

Further strategies aim to fill gaps in the budget by producing new cash crops, hay or bred heifers for sale. Still more elaborate are the long-term strategies to add value by upgrading quality and marketing for premiums.

Conditions change rapidly in the cattle business and markets fluctuate, but quality premiums have dominated the scene for the last 10 years. That provides an incentive to make adjustments.

The more complicated your strategies and adjustments, the more you need to use lasting records and more formal, accurate information tools such as computerized records. If you learn by doing, without planning, mistakes can be expensive. Unsure of your chances of economic return, you may try to cut costs blindly or shy away from investments in higher quality cattle.

Among the most valuable tools for cow-calf producers are the expected progeny differences (EPDs) of breeding bulls. They help compare everything from calving ease to growth, maternal function and progeny carcass value. Each number has an accuracy value from near 0 to .99, the closest to 1 adding the most predictive power to the number.

Breed associations created these tools to help producers make accurate decisions, but many producers still base buying decisions primarily on looks and price. They may ask about a bull's birth weight while ignoring his EPD, or buy bulls without EPDs to save a few dollars. Fortunately for the beef industry, more and more producers are using EPDs and value indexing.

You have to guess often enough, but accurate observations and decision-making tools reduce the margin of error. Observations lead to interpretations and perceptions. Those can negate the accuracy of the observation if they are taken out of context. Even if you feel sure that your interpretation is accurate, the only way to stay on target is to keep looking for evidence that you're wrong.

Take time to research every important decision, even if you'd rather just get on with it. Think of those decisions as pistol duels where, as Marshall Wyatt Earp used to say, "Fast is fine, but accuracy is everything."

Next time in *Black Ink*, we'll look at yield grades. Questions? Call toll-free at 877-241-0717 or e-mail cabsteve@aol.com.

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