

SUGGESTED PRACTICES TO MANAGE COST OF PRODUCTION IN TENNESSEE COW-CALF OPERATIONS

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Tennessee's cow-calf producers are facing high production costs. This is due to the increased input costs of practically everything, including fuel, feed, fertilizer, equipment and other inputs.

Cow-calf producers who keep production costs under control will be those who will survive in the next decade. Producers can not depend on increased market price to keep them in the business.

Cow-calf producers must focus on reducing costs while maintaining an acceptable percent calf crop weaned, weaning weight, and market price and should not "cut corners."

An analysis of SPA data from Illinois and Iowa indicated a variation of percent in cost of production between "high" and "low" cost producers. Low cost producers were the ones that implemented a significant number of management practices that kept costs under control while maintaining productivity

It has been reported that less than 10 percent of the cow-calf producers know their cost of production. If costs are not known, it would be difficult to identify which areas have the greatest expense and practices to apply that will reduce cow costs.

This factsheet is planned to provide some management considerations that will reduce cow costs and maintain performance. Following are two very critical management

areas that are essential to be able to manage costs. A short calving season and managing forage in synchronization with the cattle herd's nutrient requirements are the first considerations.

Develop a short breeding and calving season. A short calving season is essential to have managerial control over the items that impact cost, market weight, reproduction, and market price. A short calving season is basic to reduce costs. To manage costs, this has to be done.

Manage forage and cattle to keep feed costs low. Since feed costs make up the greatest expense item in cow-calf production, this would be the first item to consider. Success in cow-calf production is dependent on efficient conversion of forage into a more valuable product, feeder cattle. This is the large challenge. Feed costs make up 55-65 percent of the annual cow cost. This is where the increased costs have occurred in recent times.

Following are suggested practices that should aid cow-calf producers in evaluating alternatives to reduce costs. The impact of these practices would vary from farm to farm.

1. Manage cattle and forage to minimize the use of harvested forages by managing cattle to harvest it by grazing..
2. Become familiar with the cow herds nutrient requirements and feed accordingly. Match the cow herd's production cycle and nutrient needs to the forage growth and availability on the farm.
3. Know feed costs, to include equipment and labor costs.
4. Under Tennessee conditions, use cool seasons pasture species to extend grazing and provide hay.
5. Where available, utilize crop residue to provide 45-60 days of fall and winter grazing for mature, dry, pregnant cows. Grazing removes very little soil nutrients

from the fields.

6. Stockpile fescue to add 45-60 days of grazing for the cow herd or stocker calves.
7. Initiate and carry out those pasture and forage practices that result in increased grazing and sustainability of the forage.
8. Manage cattle and forage to graze 10 months and feed harvested forage 2 months.
9. Maintain legumes in pasture. Legumes both add nitrogen to the soil and improve the quality of the forage.
10. Soil test pastures, utilizing the UT Soil Testing Laboratory and apply fertilizer based on recommendations.
11. Use electric fences to limit cattle's access to pasture and crop routes.
12. Utilize forage testing and follow recommendations in feeding harvested hay to cattle.
13. Feed lower quality hay first to older, mature, dry, pregnant cows. Provide feeds to the cows at the beginning of the winter season, before the cows approach the last 60 days before calving and prior to the worst part of winter. Young growing cattle and lactating cows should be fed higher quality feed.
14. Control weed growth with herbicides rather than clipping. Controlling weeds contributes to improved forage quality and production.
15. Separate cattle into age and production groups for winter feeding to more effectively and economically meet the herd's nutrient needs.
16. Harvest forage at the proper stage of maturity to optimize quality and hay yield.
17. Store large packages to reduce spoilage. Up to 35% of the hay is wasted when stored outside, uncovered, on the ground. Know the value of hay losses.
18. Feed hay that was stored outside first. It will continue to lose dry matter.

19. Use portable hay feeders to reduce waste.
20. Consider feeding every other day to reduce labor cost. The negative is that cows will not be checked daily.
21. Consider purchasing hay for winter feeding. This will eliminate the cost of hay making equipment and labor. When purchasing hay, be sure that it is of the quality to meet the needs of the cattle in the herd.
22. Use supplements, when needed, either to improve forage utilization or extend forage supply. Base use of supplements on forage test results.
23. When supplementing, keep costs low by comparing costs of available supplements. Be sure to include ingredient, transportation, storage, and labor costs in the calculations. Purchase in bulk when feasible to reduce cost.
24. When considering purchase of supplements, base decision on cost per pound of nutrients.
25. Provide appropriate mineral supplementation and salt to herd.
26. Learn how to body condition score (BCS) females as well as how to manage it to control feed costs as well as reproduction. Body condition is based on nutritional status of the animal.
27. Plan ahead for winter feed needs. Know the number and kind of cattle that will be carried through the winter. Now, calculate feed needs.
28. Consider the purchase of hay instead of owning the equipment and facilities needed to harvest store feed.
29. Cull open, old, low producing cows as well as those that have structural problems and poor disposition.
30. Evaluate buying replacement heifers compared to raising them.

31. Consider buying replacement heifers instead of raising them.
32. Develop a good heifer grazing program. Do not cut to the point that it results in reduced performance.
33. Maintain cows' from size to match feed supply. Body conditions score is the tool for evaluating how effective this is done.
34. Be sure that cattle have free access to clean water. Water consumption intake is related to feed intake and performance. Dirty water can be a source of disease.
35. Carefully evaluate the cost and potential return of management practices to improve weaning weight and reproductive performance. Depending on the situation, some expense of the practice(s) may exceed the added return produced. If so, why are we doing those practices? Develop a partial budget to evaluate whether the practice returns more than it costs.

Summary

With increasing costs of production, Tennessee cow-calf producers are being challenged to find ways to remain sustainable and profitable. Annual variable costs of producing weaned feeder calves have been reported to increase 25 percent or more since 2005.

Tennessee cow-calf producers will have to evaluate their resources and make changes in their operations to survive. Determining what change(s) to make will require a lot of effort. How will one change in a practice impact the "total system"? For example, if corn crop residue is utilized as a winter feed for dry, pregnant, mature beef cows, how will that affect both the cow's future reproduction as well as soil fertility. Another example that might have a "long term" impact would be reducing the growth of genetically superior replacement heifers to produce cows of smaller weights, which

would reduce future feed requirements and costs and not impair production. Producers who evaluate all suitable alternative changes in practices that will impact cost and performance will be more likely to make the appropriate decisions. The preceding was developed to provide some management considerations that might benefit Tennessee cow-calf producers keep costs under control and maintain profitability.

For additional information or assistance in managing cow-calf operations, contact the University of Tennessee Extension office in your home county.