

# **Mount 'n Cattle**

Article for the Wyoming Livestock Roundup

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## **Finding the Profit with Rapidly Increasing Costs**

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I was able to attend the 20th Range Beef Cow Symposium the second week of December in Fort Collins, Colo. This is a very informative three days with sessions on a variety of topics affecting the industry. I left the meeting with what I considered a few key messages I'd like to share.

1. Costs are increasing at an alarming rate.
2. The days of cheap feed and fuel are gone.
3. Well trained and adapted cows can get by on very little supplemental feed
4. Cows will breed well when they are improving in condition

Not everyone who attended the meeting would likely agree on these as key points at the meeting, but, hopefully, I'll be able to explain how I came to these conclusions.

Randy Blach of Cattle Fax said the cost to cow-calf producers has increased 20 percent to 25 percent the past two years. This isn't news to most of you. Even though this industry has had record prices for calves the past few years, much of that income has been absorbed in increasing costs, primarily feed and fuel. The challenge to you as a manager is structuring an operation to remain profitable with likely stable calf prices and

costs that are likely to continue to rise. Most analysts don't expect feed or fuel to get cheaper. Ethanol is likely here to stay for at least the next decade, and this will be a factor continuing to drive feed prices higher as demand for corn remains high. From my experience, the operations that can be positioned to decrease their reliance on feed and fuel as inputs are likely to be more profitable. Low-cost production systems that maintain acceptable levels of production generally accomplish this goal.

I was particularly interested in the production system being implemented by the Padlock Ranch. Dr. Trey Patterson, assistant manager for the Padlock, presented information on early weaning of calves and, during the evening discussion sessions, he described the wintering program for the cow herd.

Padlock has found if cows are bred to calve in May and June and have feed available on the rangeland, the cows do quite well wintering out with modest inputs of supplemental protein. Trey described several benefits. The program essentially eliminated the use of harvested hay for mature cows, although the ranch does keep an emergency supply in case of the exceptional snow storm. The Padlock has found that by wintering the cows on rangeland, the cows have learned to use snow so they are able to graze the underutilized areas that are poorly watered during the growing season. Trey reported that if they do feed the cows for a short period of time, it can set them back more than if just left to fend for themselves. If they get fed, the cows will often wait for the feed truck for the next two or three days before venturing back out to search for feed.

The concern with asking the cows to get by on their own to a greater extent is their ability to rebreed when coming out of winter in tough shape. The concept of body

condition scoring cattle and its relationship to breeding success was also discussed in many presentations at the symposium.

The take-home message for me is that as long as cows don't get too thin and are on a plane of nutrition so condition can increase breeding, success will be acceptable. From preliminary data, it seems cows can reach a body condition score of 4 and rebreed as long as they have an opportunity to regain condition prior to breeding. Perhaps given the new era of higher feed prices, the concept of maintaining cows at optimum body condition throughout the year is no longer the most economical strategy.

The strategy I've suggested in this column of minimizing and essentially trying to eliminate supplemental feeding has upsides and downsides. To make this economical, the elimination of overhead such as machinery and outside labor will likely need to be reduced. There is also an increasing risk of breeding failure the further you push the cows. This risk and even likelihood of decreased breeding success should be balanced against cost savings.

This system certainly won't work for everyone, but I challenge you to consider your production system and the inputs you are relying upon. If those inputs include significant amounts of feed and fuel, hopefully you have room in your profit margins to absorb continued increases in the costs of these inputs. I suggest the strategy of trying to reduce or eliminate these inputs is likely to increase profitability and sustainability in the coming decade. I hope you get snow where you need it this winter.