

\*\* This news release from K-State Research and Extension is available online <u>https://ksre-</u> learn.com/cutting-ranch-costs

**Note to editors:** A photo to accompany this story is at <u>https://www.flickr.com/photos/ksrecomm/54460055398</u>

Released: April 29, 2025

# Cattle Chat: Cutting costs on the ranch

K-State beef cattle experts offer advice on ways to cut expenses on a cow-calf operation

# By Lisa Moser, K-State Research and Extension news service

MANHATTAN, Kan. — Each April, many business owners evaluate their annual spending at the time they submit their taxes. Like their fellow business owners, many cattle ranchers are seeing an increase in their input costs and looking for ways to minimize expenses.

To offer some advice on how to manage the ranch expenses, K-State beef cattle extension specialist Jason Warner joined the Beef Cattle Institute experts on a recent <u>Cattle Chat</u> podcast to address this topic.

"To answer the question of where to cut costs on the operation, first you have to know what your costs are," Warner said. "You also need to look at current calf prices and cow prices to understand where the enterprise is to make an accurate determination of cost levels and overall profitability."

One factor that producers need to include in their calculation is depreciation, K-State agricultural economist Dustin Pendell said.

"Depreciation is an asset that is becoming worth less over time," Pendell said. "In the case of a cow, if she stays in the herd another year, that has a different cost calculation than buying a replacement heifer, for example."

Unlike equipment that is documented, figuring cow depreciation is often a hidden cost, K-State veterinarian Brad White said.

"When it comes to depreciation, we often talk about equipment because that is coming off our taxes, but managing cow depreciation costs is important to the operation's bottom line," White said.

To help keep the costs for cow maintenance down, Warner recommends matching the calving season to the forage availability.

"Producers should aim to select a calving date that puts her at peak lactation when the forage quality is at its best, reducing the need for supplemental forages and feeds," Warner said.

K-State beef cattle nutritionist Phillip Lancaster added that extending grazing resources is a way to reduce costs for the cow-calf operation.

"Hay is one of the most expensive feedstuffs on the ranch when you look at the cost per until of protein and energy and the equipment expense to produce the hay," Lancaster said. "So if we can let the cow harvest as much of that forage as possible, it is a good way to reduce the ranch expenses without hurting productivity."

Along with extending the grazing season, K-State veterinarian Bob Larson advocates testing the hay so that the supplements can be selected more appropriately.

"Producers sometimes overspend on their supplements. If your hay is adequate in protein, you can save money by using a lower protein supplement and just provide energy to the cows over the winter as a way to save costs," he said.

To hear the full discussion, listen to Cattle Chat on your preferred streaming platform.

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# FOR PRINT PUBLICATIONS: Links used in this story

Beef Cattle Institute Cattle Chat podcast, https://ksre-learn.com/cattle-chat-cutting-ranch-costs

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## Story by:

Lisa Moser, 785-532-2010, Imoser@ksu.edu

## More information:

Phillip Lancaster, 785-532-6323, palancaster@vet.k-state.edu

Bob Larson, 785-532-4257, rlarson@vet.k-state.edu

Dustin Pendell, 785-532-3525, dendell@ksu.edu

Jason Warner, 785-532-1460, jasonwarner@ksu.edu

Brad White, 785-532-4243, bwhite@vet.k-state.edu