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Cattle Chat: Understanding how costs and animal performance are connected

Analyzing annual records can guide decision-making for the beef cattle operation, say K-State beef cattle experts

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

MANHATTAN, Kan. — Balancing the checkbook and reviewing the monthly credit card statements are just two ways that consumers monitor their spending. In much the same way, keeping feed and performance records are important in making decisions for the beef cattle herd, say the experts at Kansas State University's Beef Cattle Institute.

In trying to answer the question of how to decrease costs without decreasing cattle performance, the team of experts and guest Jason Warner, K-State beef extension specialist, offered their thoughts on a recent Cattle Chat podcast.

"To know where to cut costs, first beef producers need to understand what the current level of performance is in the herd," said K-State veterinarian Bob Larson.

For Larson, pregnancy percentage is a key record to evaluate in making decisions for the herd.

"In central Kansas, with the available forage base and keeping feed costs manageable, producers should have a pregnancy percentage between 90-95%," Larson said. "That percentage however is not necessarily doable in all geographic areas."

Beef cattle nutritionist Phillip Lancaster said that the percentage may vary from operation to operation depending on the goals.

"Depending on my feed costs I may set a goal of 85-90% pregnancy rate," Lancaster said. "Producers need to figure out what their cost per unit of production is to get the desired output, and that may not be maximal performance."

K-State agricultural economist Dustin Pendell said producers need to keep records to know their cost per unit.

"It is hard to lower costs if there is no record of what the costs are, and in the beef business feed costs are one of the largest annual expenses," Pendell said.

In looking for ways to reduce feed costs, Pendell suggests producers pick one feed expense and see if there is a way to decrease that cost. In the example of forage grazing, Pendell said key questions to ask include:

- Do you have a grazing management plan?
- What is the stocking rate? And should it be the same across all pastures?
- Have you evaluated your pastures' soil via a soil test? And do they need to be fertilized?

K-State beef cattle extension specialist Jason Warner added that producers should also assign a cost for feed shrink. He defined shrink as the difference between what was bought and/or stored and what was fed out.

"If feed costs are $1.50 per cow, per day, and if there is 10% shrink that is 15 cents, which can add up over time," Warner said. "Feed shrink can happen with harvested forages or even with purchased commodities when ingredients are spilled when feeding, and those are costs you may not necessarily see."

In his economic study of beef producers, Pendell said "the difference between the high performers and the low performers relates to how they manage costs."

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-cost-and-performance

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