



Beef Tips

July 2008

Department of Animal Sciences & Industry

www.asi.ksu.edu/beeftips

Upcoming Events

K-State Beef Conference
Aug. 7 - 8, 2008
Manhattan, KS
See details on page 4

Beef Stocker Field Day
Oct. 2, 2008
Beef Stocker Unit
Manhattan, KS
www.beefstockerusa.org

Contributors

Dale Blasi
Stocker, Forages Nutrition & Mgt.
785-532-5427
dblasi@ksu.edu

Joel DeRouchey
Livestock Production
785-532-2280
jderouch@ksu.edu

Karl Harborth
Livestock Production
620-431-1530
harborth@ksu.edu

Larry Hollis
Extension Beef Veterinarian
785-532-1246
lhollis@ksu.edu

Sandy Johnson, Editor
Livestock Production
785-462-6281
sandyj@ksu.edu

Chris Reinhardt
Extension Feedlot Specialist
785-532-1672
cdr3@ksu.edu

Justin Waggoner
Beef Systems Specialist
620-275-9164
jwaggon@ksu.edu

Cow/Calf production costs up 25 percent since 2005

Sandy Johnson, livestock specialist

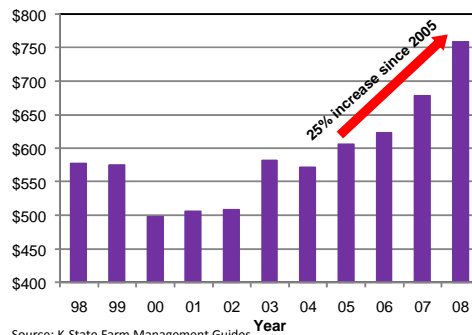
Rising costs of pasture, harvested feedstuffs and fuel have made it obvious that production costs in the beef industry are well above previous years. The Kansas Farm Management Guides are updated each fall to reflect anticipated costs of production for the next year. According to those calculations, total cow-calf production costs have increased 25 percent since 2005 and are expected to be over \$750 per cow in 2008 compared to \$575 ten years earlier.

While costs have increased, calf prices have declined since a peak in 2005 (\$130 per hundred for 500 to 600 pound steers at Dodge City). Estimated calf breakeven prices ranged from \$100 to \$110 per hundred from 2000 to 2006 but were projected at \$119 and \$132 for 2007 and 2008, respectively.

Beef producers face a challenge finding ways to sustain profitability in light of the current increase in input costs. As one producer put it “sure, I can keep a cow for \$250, but she may not raise a calf every year.” Some type of adjustment is likely in order, but finding the right one for your operation may take some work. If weaning weight is increased, what will it cost? If feeding practices are changed how will it impact reproduction? Producers that have both information on the costs going into the operation and the production as a result of those expenditures, will be in a better position to evaluate the options and make good decisions.

Harlan Hughes, professor emeritus from NDSU and former extension livestock economist said “When I work with producers on their records one of the common things they don’t seem to know about their operation is basic herd production information such as percent calf crop based on females exposed, pregnancy rate, weaning weight per cow exposed, or calving distribution. Producers need to know more than an average weaning weight to make management adjustments to their operation.”

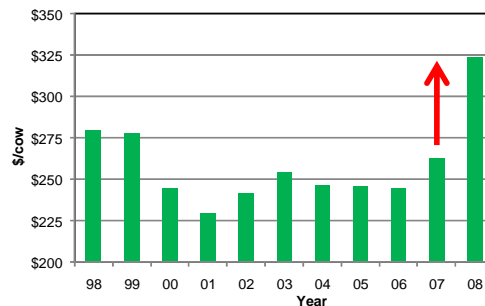
Cow-Calf Total Production Costs in Kansas



Source: K-State Farm Management Guides

Historically, feed costs are a big driver of total production costs; however compared to a more gradual rise in total costs in the past 4 to 6 years, feed costs showed a more dramatic increase between 2007 and 2008.

Cow-Calf Feed Costs Per Cow in Kansas



Source: K State Farm Management Guides

See *Production prices* on page 3

Reduce stressors to make weaning easier on calves and cowboys

Justin W. Waggoner, beef systems specialist

Weaning is just around the corner and now is the time to identify management practices that may potentially reduce the stress associated with weaning for both calves and cattle producers. One of the most stressful events in the life of a calf is weaning. Stress in general can significantly impact cattle health and well-being, reduce animal performance and increase disease susceptibility. Therefore implementing management practices that reduce stress may improve calf health and weight gain during the weaning process.

The first step in managing stress, regardless of the situation, is to recognize the stressors or sources of stress. The primary stressors experienced by calves during weaning are: 1) maternal separation 2) moving to a new environment and 3) becoming accustomed to unfamiliar feedstuffs. Once the sources of stress have been identified, management practices that reduce the effects of these stressors may be implemented.

The following management practices minimize weaning stress.

Don't add additional stressors. Castration, dehorning, and branding are all stressors that can add to the stress of weaning. These tasks should be completed a minimum of 3 weeks prior to weaning.

Provide access to the weaning pen or pasture. Providing cows and calves access to the weaning area for a few days/weeks prior to weaning allows calves to become accustomed to the weaning area. This reduces the additional stress of an environment change on calves following weaning.

Feed cows and calves in the weaning pen or pasture. If newly-weaned calves are going to be fed after weaning, feed both cows and calves small amounts of the diet that will be fed to calves after weaning. This allows calves to become familiar with new feedstuffs as well as the bunks, tubs or feeders in the weaning area.

Move the cows not the calves. Once both cows and calves have become accustomed to the weaning pen or pasture, remove the cows from the area, leaving the calves in a familiar area.

Allow fenceline contact if practical. Research indicates that allowing fenceline contact between cows and calves for 7 days after separation reduces behavioral stress and minimizes post-weaning weight loss. Fences should be sturdy and tight enough that calves cannot nurse. If fenceline contact is not practical, then cows should be moved to a location where they cannot hear calves.

Clean the pen. If calves are going to be weaned in a drylot, remove the previous years manure and start with a clean pen. Cleaning the pen prior to weaning minimizes dust and allows pens to drain better should conditions become wet.

Minimize fence-walking. Fence-walking can be minimized by placing feed bunks or water tanks along the perimeter of the weaning area. Additionally, this strategy allows calves to come in contact with feedstuffs and water sources.

Establish a herd health program. Producers should consult their veterinarian and develop a herd health program that includes a vaccination program and a treatment plan for calves that become sick. A sound vaccination program prepares calves for disease exposure. While a treatment plan allows producers to have the supplies and pharmaceuticals on hand to treat illness in newly-weaned calves immediately.

The key to reduce weaning stress is to first recognize the sources of stress and then implement management practices to minimize the physical and behavioral effects of the stressors.

For more information about fence line weaning management see E. O. Price, J. E. Harris, R. E. Borgwardt, M. L. Sween and J. M. Connor. 2003. Fenceline contact of beef calves with their dams at weaning reduces the negative effects of separation on behavior and growth rate. *J. Anim. Sci.* 81:116-121.

<http://jas.fass.org/cgi/content/full/81/1/116>.

“The key to reduce weaning stress is to first recognize the sources and then implement management practices to minimize the physical and behavioral effects of the stressors.”

Beef Tips
July 2008

“Producers need to know more than an average weaning weight to make management adjustments to their operation.”

Production prices continued from page 1

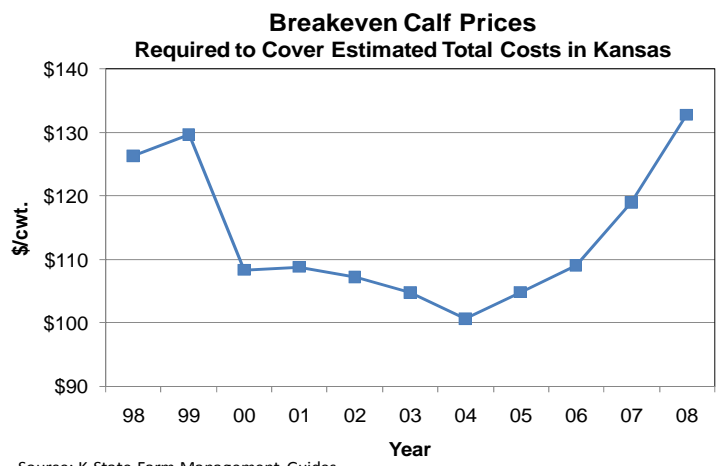
The IRM Redbook was designed to help producers track this information. A well used feature of the book is the space to record birth information from each calf. There are also pages to track herd inventory, pasture usage, weaning data and a variety of other information. The Redbook has several pages to help summarize whole herd data under the pages entitled “SPA Performance Measures”. Standardized Performance Analysis or SPA refers to a set of guidelines to standardize the calculations. These calculations are relatively simple if accurate counts of cows that were exposed to bulls, pregnancy checked, calved, sold and died are known. Producers generally have all this information but may not take the time to summarize the data and track it over time. This data combined with financial records can be used to get to a unit cost of production or the cost to produce one pound of weaned calf.

A key number to have from the whole herd performance data is the percent calf crop based on the number of exposed females (sometimes called weaning percentage). This value reflects the number of calves weaned in 2008 as a percentage of the cows that were exposed to bulls in 2007. For example, if 100 cows were exposed to bulls in 2007 and 88 wean calves in 2008; the percent calf crop would be 88 percent. Suppose Herd A had an average weaning weight of 524 pounds and a percent calf crop of 84 and Herd B, 500 pounds and 88 percent respectively, which herd would you rather have? Since both

herds produce 440 pounds of weaned calf per cow exposed (524 x .84 or 500 x .88), all else being equal, I would want the herd with lower costs of production. Just as weaning weight alone is not a good indicator of profitability, total cost per cow is of limited use without knowing the percent calf crop and weaning weight that is associated with those costs.

Cow/calf producers, especially in non-drought areas, have experienced several years of profitability, although this picture is now changing. Producers that will take the time to calculate whole herd performance measures and their unit cost of production will be in a better position to make good management decisions. There is no one silver bullet that will make all operations profitable, but there is one number, unit cost of production, that is the silver bullet for knowing where you stand.

A variety of resources are available on the web to help estimate your unit cost of production including the following: KSU cow/calf budget- <http://www.agmanager.info/farmmgmt/fmg/livestock/default.asp>
 IRM Redbooks and matching Excel Spreadsheet- <http://www.cattlelearningcenter.org/redbook/default.aspx>
 Information on SPA http://www.beefusa.org/prodstandardperformanceanalysis_spa.aspx
 Harlan Hughes - <http://www.irmeasy.blogspot.com/>



Source: K-State Farm Management Guides

K-State Beef Conference will address key topics in challenging environment

MANHATTAN, Kan. - Beef producers are encountering plenty of challenges - soaring feed and fuel costs, too much rain in some areas and not enough in others - which make managing costs of production that much more important.

The upcoming K-State Beef Conference, this year titled "Managing Annual Cow Costs" will address many of the management topics critical to producers, said Larry Hollis, veterinarian with K-State Research and Extension and conference coordinator.

The conference, which will be held in Frick Auditorium at K-State's College of Veterinary Medicine, begins with registration at 9 a.m. on Aug. 7 and will end at noon Aug. 8.

The keynote speaker for the event will be Dr. Barry Dunn of the King Ranch Institute for Ranch

Management, Texas A&M University, Kingsville, Texas.

Presentation topics at the conference will include: Cow economics in the ethanol era; Land and pasture costs; Summer and winter grazing systems; Alternative forages; By-product feeding options; Supplementation strategies; Pasture evaluation; and Cow herd management strategies.

More information about the conference is available on the K-State Department of Animal Sciences and Industry Web site: <http://www.asi.ksu.edu/> (link on right side of page) or by contacting Larry Hollis at lhollis@ksu.edu or 787-537-0915 or Linda Siebold at lsiebold@ksu.edu or 785-532-1281.

**Early
registration due
by Friday,
August 1**

2007 Farm Bill includes mandatory country of origin labeling

A revised version of mandatory country of origin labeling was approved as part of the 2007 Farm Bill. Country of origin labeling (COOL) was originally in the 2002 Farm Bill and scheduled to be implemented in September of 2004. Appropriation bills delayed funding of COOL for all commodities except fish and shellfish in 2004 and again in 2006. The compromised version in the 2007 Farm Bill now includes chickens and goats, which were not included in the original bill and is one of the reasons the original bill was controversial.

On June 15, 2008, USDA announced it is reopening the comment period for the proposed rules for mandatory COOL for beef, pork, lamb, perishable ag commodities and peanuts. The comment period will be open until Aug. 20, 2008.

Some of the definitions and requirements that are included in the interim final rule for fish and shellfish COOL are proposed to be part of the final rule for beef. This interim final rule is open for comment at the same time as the proposed rule for beef, pork and lamb.

Additional language in the 2007 bill addresses record keeping and indicates that USDA can't require anyone in the production chain of a covered commodity to maintain a record other than those maintained in the course of normal business. What this will actually mean for producers will hopefully be clarified once the final rule is published and guidelines for compliance are made available.

A United States country of origin label will include beef exclusively born, raised and slaughtered in the US; born and raised in Alaska or Hawaii and transported not more than 60 days through Canada to the US and slaughtered in the US; and present in the US on or before July 15, 2008.

Meat from commodities that are imported just prior to slaughter will show multiple countries of origin. For ground beef, pork, or lamb the label may indicate all countries where the product was born, raised, or slaughtered or all reasonably possible countries of origin.

More information about COOL is available at www.ams.usda.gov/COOL/.

Tools available to evaluate options for use of distillers grains

Major users of distillers grains have been feeding operations that can use semi-trailer load lots of the wet product on a regular basis. During the summer months the shelf life of the wet product is shorter and cattle on feed numbers generally decline which coincides with a season low in wet distillers grains prices. During July and August, there may be opportunities to purchase spot loads and store it for later use. Weekly Bioenergy Market News Reports from USDA now provide prices for wet, dry and modified distillers grains from Nebraska, Iowa and South Dakota ethanol plants. Only time will tell how the availability or price for distillers gains will compare to previous years. However, given the overall high cost of feeding, producers need to be prepared to take advantage of opportunities to purchase feedstuffs when the price is lower.

The May 2007 issue of Beef Tips described research on the mixing of dry forage with wet distillers grains to increase storage life. Several new resources are available that describe the process and can help with estimating the associated costs.

At the UNL Beef Production site (<http://beef.unl.edu/byproducts.shtml>):

[Storage of Wet Corn Co-Products](#) - Manual describes opportunities for storage, storage concepts, silo bag and bunker storage, costs and spoilage losses and feeding performance.

[Co-Product STORE \(Storage To Optimize Ration Expenses\)](#) - Excel spreadsheet that is designed to analyze the costs associated with different co-product storage methods for the purpose of co-product inclusion in cattle rations.

[Cattle CODE](#)—An Excel spread sheet that estimates economics of incorporating various amounts of corn milling by-products into feedlot rations compared to dry rolled or high moisture corn diets.

[Ethanol by-product prices](#) - Summary of Kansas distillers grain prices (and other states) from USDA/AMS Reports, includes time series graph of prices, seasonal price index and DDG as a percent of corn price.