Can I afford to buy feed to carry calves until pasture is available?

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Rancher's Thursday Lunchtime Webinar Series

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OKLAHOMA COOPERATIVE
EXTENSION SERVICE

Previous RTLS - https://extension.okstate.edu/programs/beef-extension/ under “ARCHIVED WEBINARS”

Growing Calves without Wheat Pasture

- Using hay and silage to stretch wheat pasture
- Dry wintering calves on native range
- Long-stem hay
- Programmed feeding

Managing Cattle and Forages in a Dry Weather Pattern

- Weather Drought and Soil Moisture
  - Understanding El Nino, Using Mesonet Tools,…
- Warm, Cool, and Forage Alternatives
  - Managing cool season pastures, efficient use of limited moisture, and stretching forage supplies

Where we stand…

- 450 lb steer purchased Oct 15th
  - Gaining 1.7 lb/day
  - Rec cost $75/head
    - Held for 45-days
  - Pasture gain cost $0.60/lb
    - On pasture Dec 1 – Feb 10
  - Total gain = 200 lbs
  - Total cost of gain = $0.74/lb
- Purchased – 450 @$181/cwt = $814
- If Sold this week – 650 @ $174/cwt = $1131
- Value of Gain – $1.58/lb of gain
- Potential Return – $169/head

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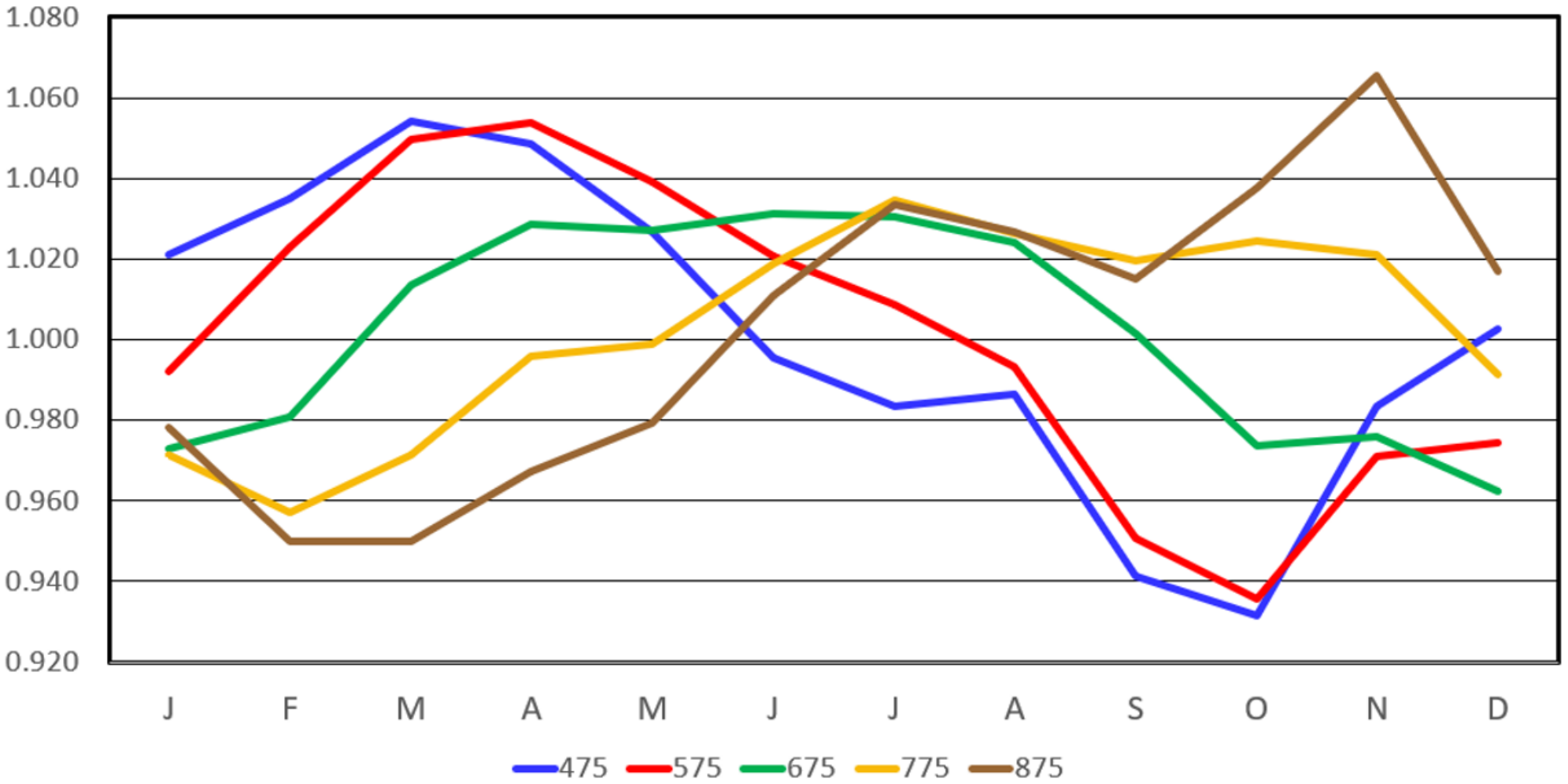
Steer Price Seasonality, Oklahoma

2015-2019 Average by Weight



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Holding Calves

- Assume sales and repurchase for late wheat grazeout/early summer grazing.
  - April/May purchase and July sales
- Previous calf purchase and gain costs = sunk cost.
  - Bought at seasonal lowest point for 400 – 500 lb calves in October
  - Today's decision 2% below yearly average value for 650 lb calves = $174/cwt
  - Repurchase at seasonal high for 600 lb calves.
    - $183/cwt based on seasonality chart
    - $187/cwt based on April Feeder Futures with $10/cwt slide from 800 lbs
    - $60-70/head replacement cost

Repurchased Calf Budget

- $45/head receiving cost – assumes less issues with purchased yearlings in spring, less time held in drylot.
- April – July ownership with 1.75 ADG at $0.45/lb on pasture.
- Sell at 860
- Total cost of gain = $0.70/cwt
- Value of gain = $1.85/ lb gain
  - based on $185/cwt purchase and $185 August Feeder Futures
- Potential net return = $249/head

Will holding calf make more money than selling and repurchase?

- 3 scenarios
  - Dry winter on dormant grass with low volume supplement.
    - 2 lbs DDGS Cube
    - Cost $460/ton
  - Limit feed on dormant grass 2% of body weight.
    - 15% CP, 20% roughage, 48 NEg (74% TDN) grower
    - Cost $285/ton bulk from commodity blender
  - Feeding hay and limit feed supplement @ 1% of bodyweight.
    - 15% CP, 10% roughage, 54 NEg (78% TDN) supplement
    - Cost $320/ton bulk from commodity blender

EXTENSION

Cattle and Management

Balancer | Su

Client	Pistol Pete, Bullet Ranch	**Cattle Description**	Holding Steers for Grass
Contact Info	(405) 744-9288	**Ration ID**	Dry Wintering Steers

Select Class of Cattle
Growing and Finishing Cattle

Feeding Period, Days
45

Inputs for Growing and Finishing Cattle

Number of Cattle	Initial Weight, lb	Desired Weight, End of Feeding Period, lb	Finish Weight, lb	Genetic Potential for Growth and Feed Efficiency	Ionophore	Implant
100	650	720	1460	Above Average	Rumensin	Yes

Scenario 1 Calves on Dormant Pasture wheat/summer pasture

Pistol Pete, Bullet Ranch	Holding Steers for Grass
Class of cattle:	Growing and Finishing Cattle

Feed Category	Feed or Forage	lb or %	% As Fed	% DM
Grazed forages	Native Range, Jan-March	18.00	81.82	80.78
Harvested Forages	Wheat Hay			
Concentrates	Distillers Grains with Solubles, sorg	4.00	18.18	19.22
Commercial Feeds	LF Commodity Blend			
Commercial Feeds	Suppl Commodity Blend			
		22.00		**100.00**

Cost Per Day	**$1.10**	**Feed Intake, lb As Fed**	22.00

Projected ADG, lb	**1.53**	**Feed Intake Ratio**	**1.11**
Desired ADG, lb	**1.56**	**Feed Intake, lb DM**	**18.3**
		Predicted Intake, lb DM	**17.0**
		DM Intake, % of Body	**2.77**

DM Feed:Gain, lb	**12.3**	**Protein Ratio**	**1.05**
Cost per lb Gain	**$0.72**		

Feeding to Hold Calves Until Grass

- 1.50 lb ADG for 45 days until grass in April.
- 720 in April @ $1.74 = $1,253
  - Value of gain = $1.74
- 1.75 lb ADG for 120 days (April – July).
  - $0.45/lb gain
  - 210 lbs gained
  - Sell end of July at 930 lbs @ $1.76 = $1637
  - Value of gain = $1.82

Scenario 2 LF Calves on Dormant Pasture – wheat pasture

Pistol Pete, Bullet Ranch	Holding Steers for Grass
Class of cattle:	Growing and Finishing Cattle

Feed Category	**Feed or Forage**	**lb or %**	**% As Fed**	**% DM**
Grazed forages	Native Range, Jan-March	7.00	35.00	33.94
Harvested Forages	Bermuda Hay, full bloom			
Concentrates	Distillers Grains with Solubles, sorgh			
Commercial Feeds	LF Commodity Blend	13.00	65.00	66.06
Commercial Feeds	Suppl Commodity Blend			
		20.00	**100.00**	**100.00**

Cost Per Day	**$1.92**	**Feed Intake, lb As Fed**	20.00

Projected ADG, lb	**2.29**	**Feed Intake Ratio**	**1.00**
Desired ADG, lb	**1.56**	**Feed Intake, lb DM**	**17.5**
		Predicted Intake, lb DM	**17.5**
		DM Intake, % of Body Weight	**2.50**

DM Feed:Gain, lb	**7.6**	**Protein Ratio**	**0.98**
Cost per lb Gain	**$0.84**		

Feeding to Hold Calves Until Grass

- 2.3 lb ADG for 45 days until grass in April.
- 750 in April @ $1.74 = $1,305
  - Value of gain = $1.74
- 2.0 lb ADG for 40 days (April – May).
  - $0.45/lb gain
  - 80 lbs gained
  - Sell end of mid-May at 830 lbs @ $1.77 = $1469
  - Value of gain = $2.05

Scenario 3 Supplementing Calves on Hay Wheat Pasture

Pistol Pete, Bullet Ranch	Holding Steers for Grass
Class of cattle:	Growing and Finishing Cattle

Feed Category	Feed or Forage	lb or %	% As Fed	% DM
Grazed forages	Native Range, Jan-March			
Harvested Forages	Bermuda Hay, full bloom	14.00	68.29	68.75
Concentrates	Distillers Grains with Solubles, sorgh			
Commercial Feeds	LF Commodity Blend	6.50	31.71	31.25
Commercial Feeds	Suppl Commodity Blend			
		20.50	**100.00**	**100.00**

Cost Per Day	**$1.35**	**Feed Intake, lb As Fed**	20.50

Projected ADG, lb	**1.59**	**Feed Intake Ratio**	**1.08**
Desired ADG, lb	**1.56**	**Feed Intake, lb DM**	**18.5**
		Predicted Intake, lb DM	**17.2**
		DM Intake, % of Body Weight	**2.70**

DM Feed:Gain, lb	**11.7**	**Protein Ratio**	**1.21**
Cost per lb Gain	**$0.85**		

Feeding to Hold Calves Until Grass

- 1.50 lb ADG for 45 days until grass in April.
- 720 in April @ $1.74 = $1,253
  - Value of gain = $1.74
- 1.75 lb ADG for 120 days (April – July).
  - $0.45/lb gain
  - 210 lbs gained
  - Sell end of July at 930 lbs @ $1.76 = $1637
  - Value of gain = $1.82

Can you afford to feed calves until grass?

	Scenario 1	Scenario 2	Scenario 3	Sell/Repurchase
Profit -February	169	169	169	169
Cost – February	1,131	1,131	1,131	
Value April	1,253	1,305	1,253	1,202
Cost of Gain, winter	$50	$86	$60	
Cost of Gain, grass	$95	$36	$95	$150
Value May/July	1,637	1,469	1,637	1,591
Net for grazing	$361	$216	$351	$239
Total Net	$530	$385	$520	$408

Conclusions

- Utilize growth promoting technologies
  - Reimplant – increase gain 0.2 lb/day, decrease cost of gain by 10%
  - Feed ionophore – increase gain by 0.15 lb/day, improve feed efficiency 5%, decrease cost of gain by 10%.
- Use good feeding management
  - Limit feeding requires good animal husbandry.
  - Least cost – bulk, high quality feed ingredients.
- Use price risk protection
  - If it sounds too good to be true, it is unless you lock it in.

Questions?