

Quick and Easy Methods of Reducing Costs
and
Improving Efficiency of Cow-Calf Production

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Keith Lusby has made this project sound like a very simple and clear cut project. However, with the inherent clumsiness and inability to contract costs to counteract rapid market drops, it is a very difficult situation. Most ranchers try to look at least one year ahead and predicate budgets in line with market forecasts. If forecasts are off dramatically, then monies spent or committed are difficult to retract or stop. Quite often he is also the victim of inhospitable weather in the winter, drought in the summer, or other climatic variations over which he has no control. Yet he has to react to these conditions and often expensively so.

Quick and easy methods of reducing costs and improving efficiencies of cow-calf production are often two different things. Quick means gutting programs which you would like to ordinarily have, such as a comprehensive brush or weed control program which can be put off until prices rise. It also can mean cutting back on operation size to reduce indebtedness and lower interest burden. It can also mean cutting out things like creep feeding, fall calving cows, and using a lot of hay--all things related to a lower plane of nutrition, but yet items that won't wreck the boat. Labor, vet, and feed costs are all big ticket items, but ones that are difficult to reduce. Fertilizers--it all depends on how much tame pasture you have. Are you willing to cut back on carrying capacity in order to reduce costs? All of the above, plus adjustments to one's own standard of living, are items that have to be looked at long and hard.

According to John Ikerd, there have been profit cycles in only 10 of the last 20 years for beef cow operations and this concurs with my own figures.

In fact, he gives 1981 as one of the worst years for losses in the past 20 years--again I agree.

Does it mean we need less cows? Supplies have dropped but demand has weakened further. We need a leaner product with a better image. The USDA inflicted the aura of a product that is bad for one's heart and infected with cancer producing chemicals. This, coupled with cheap pork and poultry, has cost us a piece of our market. We are going to have to merchandise better and that means supporting a beef check off and a revision of grading standards.

We still have the only machine that can harvest roughage and convert it into useable protein. We, as cow-calf producers, sell grass. The cow is the machine that does the job. With crossbreeding we have one of the major efficiencies in improving our cow-calf herd. Everyone has their own favorite cross. Practically all are good, but as for me, I like some black, as it seems to enhance carcass quality and ease of sale to packers from the feedlot.

Feeding every other day or 3 times a week reduces fuel consumed and vehicle wear and tear. Moving cattle with a feed sack and less cowboying helps to tame cattle, and gentle cattle sell better as well as handle better.

Try to provide incentive plans for your help to reward efficiencies in operations. Bonuses based on production increases might be the cheapest money you can spend. I personally give my men a fixed sum for each calf produced plus a substantially larger amount for each heifer that bears a live calf.

A good animal health program keeps your death losses and vet costs down. Keeping good books and not spending unless it will make money for you are things that really add up. Unless your books accurately reflect what you are

doing, you're lost. I personally do a profit and loss statement at six months, nine months, eleven and twelve months. This is because it reflects the time of greatest sales and helps in tax planning.

If there is a summary I could state--it would be to tighten your belt, keep sawing wood, and maybe we can ride out of the storm. People will still need protein, and cheap grain will sell dearly some day. That means that the grass we sell which is also a crop, will have to get higher through the protein of our beef animals we sell.