

How Do You Compare?

National cow-calf survey conducted by CattleFax offers opportunity for comparisons.

by **Kindra Gordon**, field editor

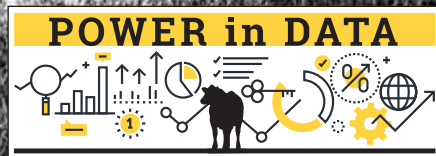
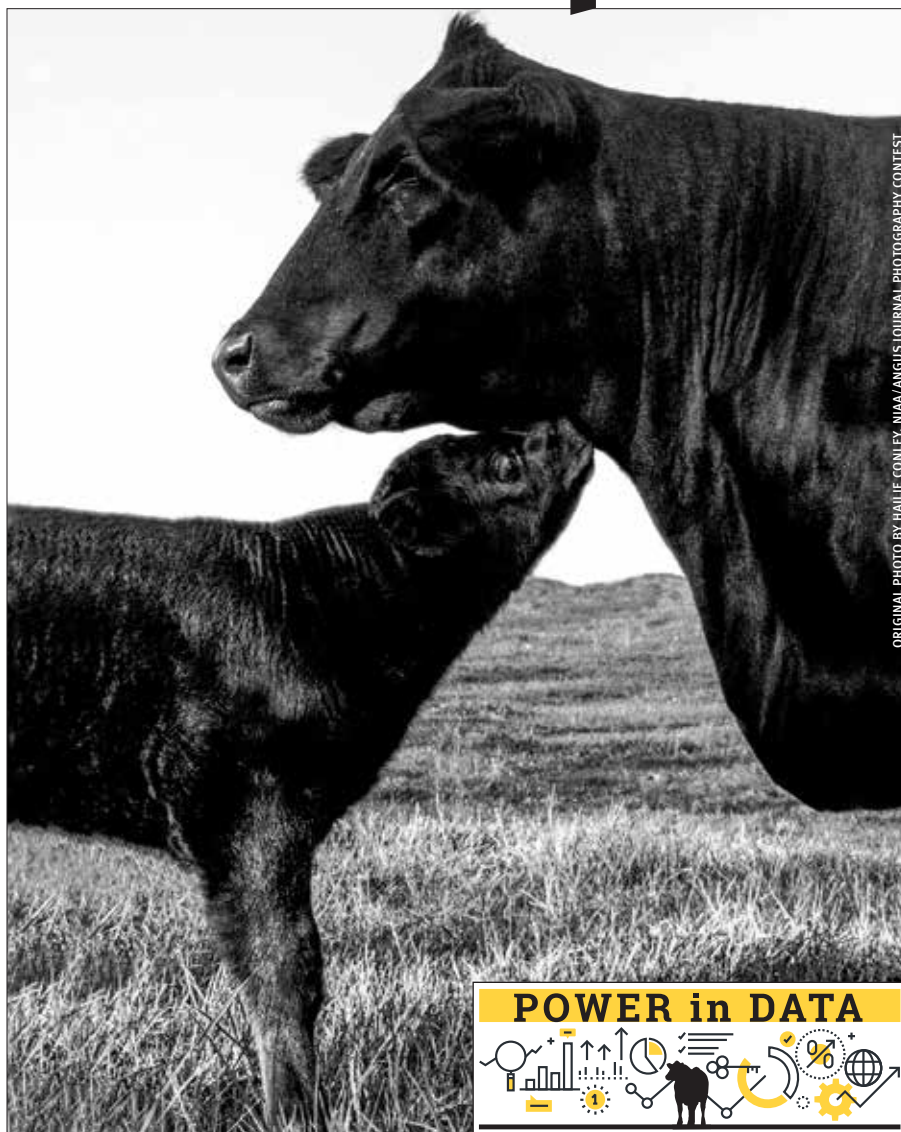
What are your cow costs? What's your calf revenue per head? How do your weaning weights compare to other producers?

Survey data collected by CattleFax from cow-calf producers across the country allow the opportunity to compare your operation to the survey averages. CattleFax analyst Ethan Oberst shared findings from the special survey in a CattleFax webinar that aired in May 2017. Oberst noted that producers responding to the survey account for nearly 700,000 cows across the country, which he indicated is a representative sample of the national herd.

Survey data represent 2016 numbers. CattleFax conducted a similar survey in 2015, which provides an opportunity for year-to-year comparisons.

The 2016 data revealed:

- ▶ Average herd size was 471 head per survey respondent.
- ▶ Average cow costs in 2016 were reported as \$588. This was \$17 per head less than the cow costs of \$605 per head reported in the 2015 CattleFax survey. Oberst attributes the lower costs in 2016 to cheaper feed and fuel prices, as well as bull prices being lower.
- ▶ Average calf revenue in 2016 was reported at \$823 per head, which was down from the average of \$1,281 per head reported by survey respondents in 2015. Oberst points to the declining feeder-calf market in 2016 for the \$400 difference.
- ▶ Average price per hundredweight (cwt.) for a 550-pound (lb.) calf in 2016 was reported by producer respondents as \$150 per cwt., compared to \$234 in 2015.
- ▶ Average weaning weights were reported as 567 lb. for steers and 527 lb. for heifers. Oberst shared this was a 2-lb. increase for weights compared to 2015. "That's not a huge jump," he observes, "but it does increase the average tonnage overall."
- ▶ Regarding expansion plans, 90% of respondents indicated plans to maintain



or to expand their herd size in 2017, while 92% indicated such plans for 2018.

- ▶ Auction barns were the most common marketing venue among producer respondents, with 50%-55% reporting using that outlet. Fifteen percent of responding producers indicated they use video sales or forward contracting; 10% utilize direct trade. One-fourth of the producers responding indicated they retain ownership.

Oberst reported that the CattleFax analysis indicates auction-barn marketing produces the lowest return in dollar-per-head value, while direct trade and forward contracts often provide a \$70-\$90 per head price boost.

That said, he advised producers: "Just be aware of those differences, and have a

plan to take advantage of seasonal price spikes when you market."

- ▶ The majority of producers responding to the survey (45%-50%) report weaning calves for more than 45 days. About 20% of producers reported shipping calves directly off the cow, and 20% reported weaning for 28-45 days. Five percent of producers weaned for less than 28 days.

Additional data

Oberst noted that within the survey data collected, some additional insights can be gleaned. As one example, there are regional differences in cow costs. Currently, the Northern Plains region of the United States — encompassing Montana, the Dakotas, Wyoming, Colorado and Nebraska — faced

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the highest cow costs in 2016, averaging \$637 per head. States in the Western region and Northeast region both averaged \$589 per head in 2016. Southern Plains states averaged \$576 per cow and the Southeast region averaged \$564 per cow.

Oberst noted that the Corn Belt saw a nearly \$40-per-head reduction in feed costs in 2016 compared to 2015 due to the lower price of corn. He anticipates lower corn prices to remain in 2017, unless there would be an adverse weather event that reduces the number of acres or yield harvested.

Due to drought in the Southeast, Oberst forecasts higher feed costs for that region in 2017. He notes that the smallest amount of hay acres have been planted in the United States in 2017 since the early 1900s, which means hay prices may jump higher if drought becomes a factor.

Regarding weaning, Oberst reported data showing differences in weaning weights based on calving interval. Calves born in the first 45 days of calving season had an average weaning weight of 570 lb. Those born between days 46 to 60 of the calving season had an average weaning weight of 558 lb., while calves born 61 to 90 days into

the calving season had an average weaning weight of 556 lb. That results in about a \$24-per-head difference in revenue due to the difference in weight compared to calves born in the first 45 days. Even more dramatic, calves born after 90 days from the start of the calving season averaged 522 lb. at weaning, which results in a \$70- to \$80-per-head revenue loss compared to calves born in the first 45 days.

Oberst underscored that producers do get paid for better genetics. In sharing average value of a calf based on bull purchase price, Oberst showed data that indicate bulls purchased for more than \$6,500 had progeny that averaged \$928 per head in 2016. In 2015, bulls in that price range had progeny averaging \$1,387. Comparatively, bulls purchased for \$3,000 or less had progeny that averaged \$769 per head in 2016 (\$1,216 in 2015), and bulls purchased for \$3,001 to \$6,500 had progeny averaging \$832 per head in 2016 (\$1,296 in 2015).

Strive for a short calving interval and strong bull genetics, Oberst recommended. “The more pounds you wean, the more you increase revenue.”

He also shared advice regarding

marketing. Oberst shared data comparing the average value of a calf based on length of weaning. Calves weaned for 45 or more days returned \$875 per head, whereas calves shipped off the cow only returned \$756 per head — a difference of \$119 per head. To this, he noted that calves weaned 45 days and marketed through a sale barn may not be capturing their full value.

“Make sure you have a marketing plan that takes advantage of weaning strategies,” he emphasized. “Paying more for bulls and marketing calves based on genetics and weaning management can pay off.”



Editor's Note: *CattleFax data indicate the U.S. cow herd is in a phase of expansion. Analysts anticipate by 2018 the U.S. cow herd inventory will expand to include an additional 790,000 head, which is in addition to the 1 million head increase that was reported Jan. 1, 2017. CattleFax projects inventory growth of another 200,000 head by 2019. This increasing inventory is expected to put pressure on cattle prices during the next three years. Kindra Gordon is a freelance writer and cattlemaster from Whitewood, S.D.*