

FORAGE AND BEEF CATTLE RESEARCH

BY

FORAGE AND BEEF CATTLE RESEARCH

1980 - Overton

RESEARCH CENTER

TECHNICAL REPORT NO. 80-1

BEEF-FORAGE MANAGEMENT

Wayne D. Taylor

Profitable agricultural operations require very good management. Unfortunately, management decisions in today's economy are difficult to make. Cow-calf and dairy producers are continually forced to combine their resources of land, labor, capital and management in an effort to maintain the operation and generate some profit.

The beef and dairy enterprises are dependent on forage production. With increased fertilizer and other input costs, efficient utilization of forages grown will become more important. Costs associated with cow-calf production in Deep East Texas are shown in Table 1.

TABLE 1. ESTIMATED COSTS PER COW IN
DEEP EAST TEXAS - 1979-80

<u>Variable Costs</u>	<u>Amount Per Cow</u>
Pasture ^a	\$ 86.90
Hay Harvest	22.80
Feed	18.90
Mineral	9.00
Machinery Expense (Fuel, Lube, Repair)	12.45
Labor ^b	21.52
Other Costs	16.26
Interest on Operating Capital	6.04
Total Variable Costs	<u>\$193.87</u>
<u>Fixed Costs</u>	
Pasture ^c	25.76
Interest on Livestock & Equipment	80.11
Depreciation of Livestock, Equipment & Other Fixed Costs	39.41
Total Fixed Costs	<u>\$145.28</u>
Total Fixed and Variable Costs	<u>\$339.15</u>

^aIncludes fertilizer, herbicide and machinery costs for 2.0 acres of grass-legume pasture per cow.

^bIncludes value of operator's labor.

^cIncludes a charge for land rent plus appropriate fixed costs of machinery used in pasture maintenance.

Based on these estimates, 215 pounds of calf per cow must be sold in order to pay the variable costs if the average sale price of calves is \$.90 per pound. A total of 377 pounds of calf must be sold per cow in order to break even on the total variable and fixed costs at a \$.90 per pound sale price.

Fertilizer and other input costs will continue to rise. Variable cost projections are shown in Table 2 and are inflated at 16 percent per year.

TABLE 2. PROJECTED VARIABLE COSTS PER COW IN DEEP EAST TEXAS REGION ASSUMING AN ANNUAL COST INCREASE OF 16% PER YEAR

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Variable Costs	\$194	\$225	\$261	\$303	\$351

Since the cow-calf producer is not in a position to directly pass his increased costs on to the buyer, becoming more efficient in overall beef-forage management is a must. The critical factors that will become more important include:

- Forage systems that will provide as much year-round grazing as possible.
- Stocking rates that economically utilize forage for optimum cow performance and calf weight gains.
- Calving dates that allow forage utilization when nutrients produced from pasture and nutrients required by animals are at a maximum.

These areas are quite broad and much easier to list and discuss than find conclusive answers. And, the solutions to these important factors will probably change over time. Nevertheless, the beef and dairy enterprises will continue to be important in our agricultural economy. Good management and the adoption of new technology will be key contributors to profits.