

Economic Perspective to a Variety of Alternatives to Feeding Hay Given High Prices

Summer Beef Cattle Management Program
Groesbeck, TX

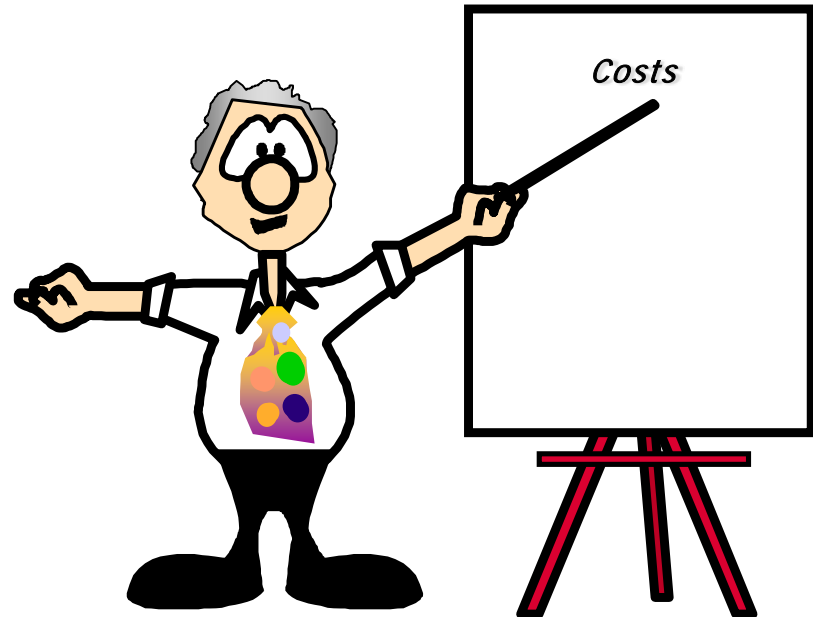
August 28, 2018

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TEXAS A&M
AGRI LIFE
EXTENSION

Overview

- Market Considerations
- Strategies
- Ideas



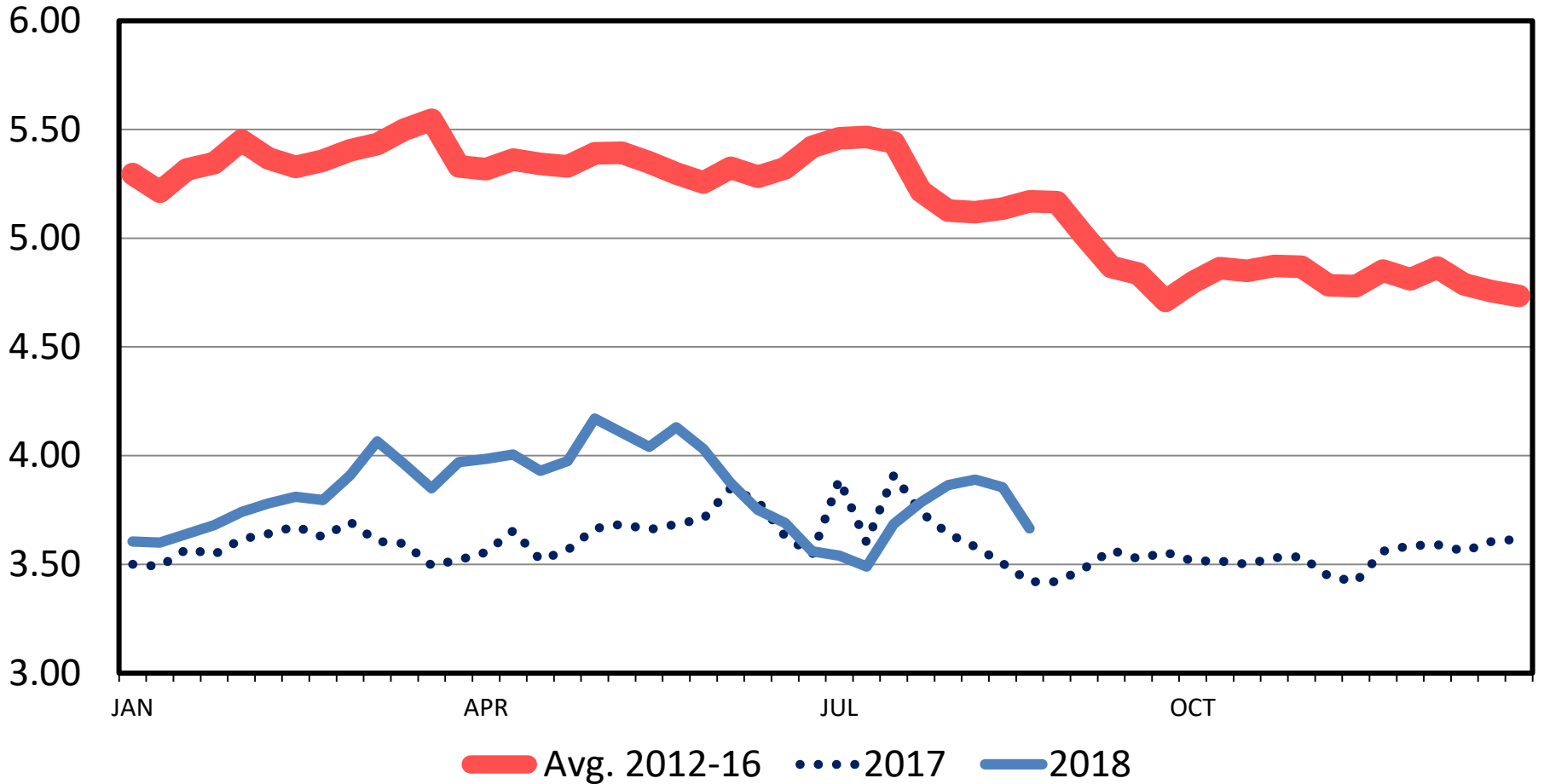
But, First...

- Mix of Long Term and Short Term Responses
 - Investing in some infrastructure – long term
 - Buying some feed – short term
 - How might we stretch what we have
- Mix of Strategies to Consider
 - More than just cost of feeds

SOUTHERN PLAINS CORN PRICES

Weekly

\$ Per Bu.



Data Source: USDA-AMS

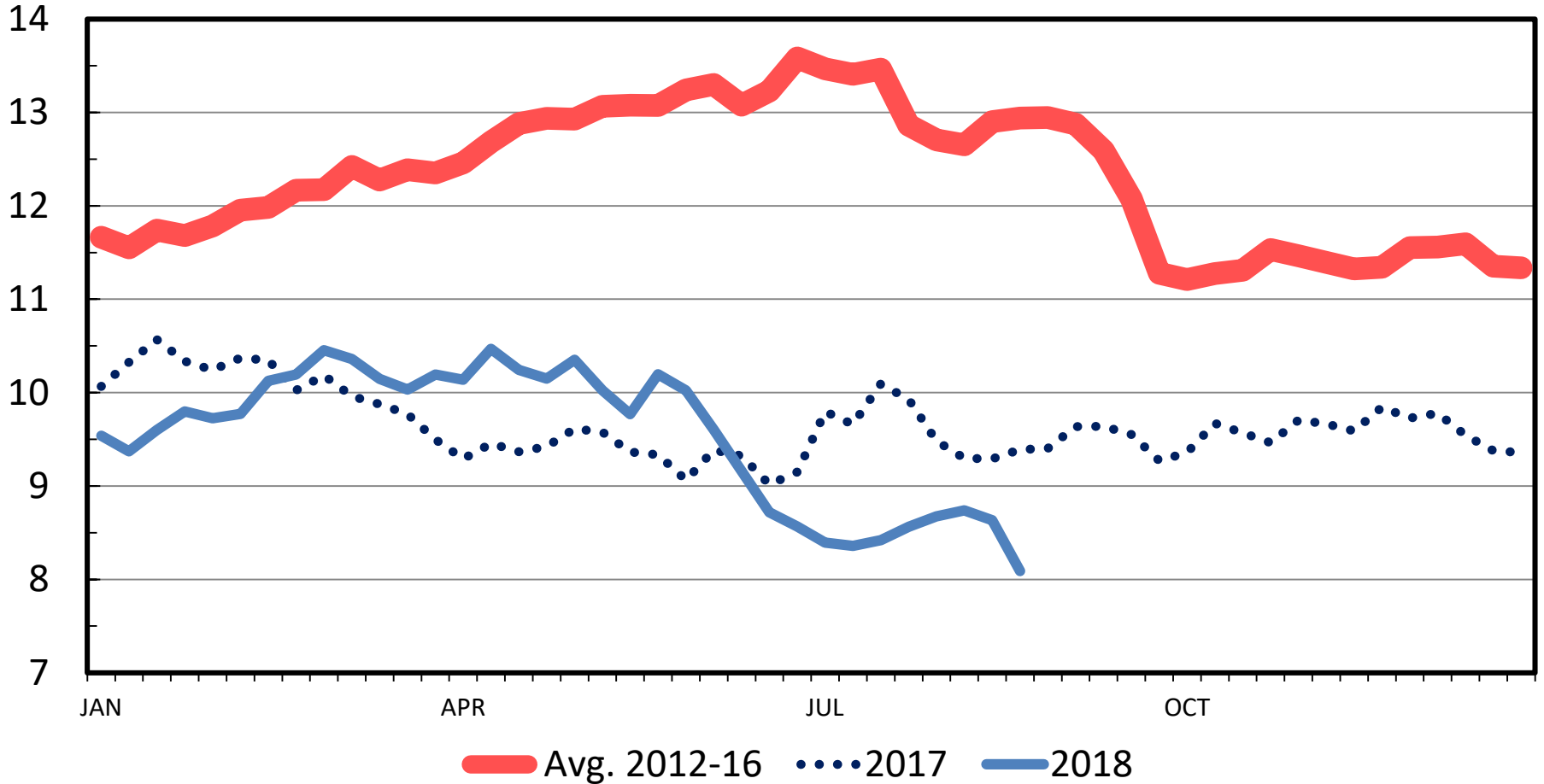
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G-P-04
08/24/18

CENTRAL ILLINOIS SOYBEAN PRICES

Weekly

\$ Per Bu



Data Source: USDA-AMS

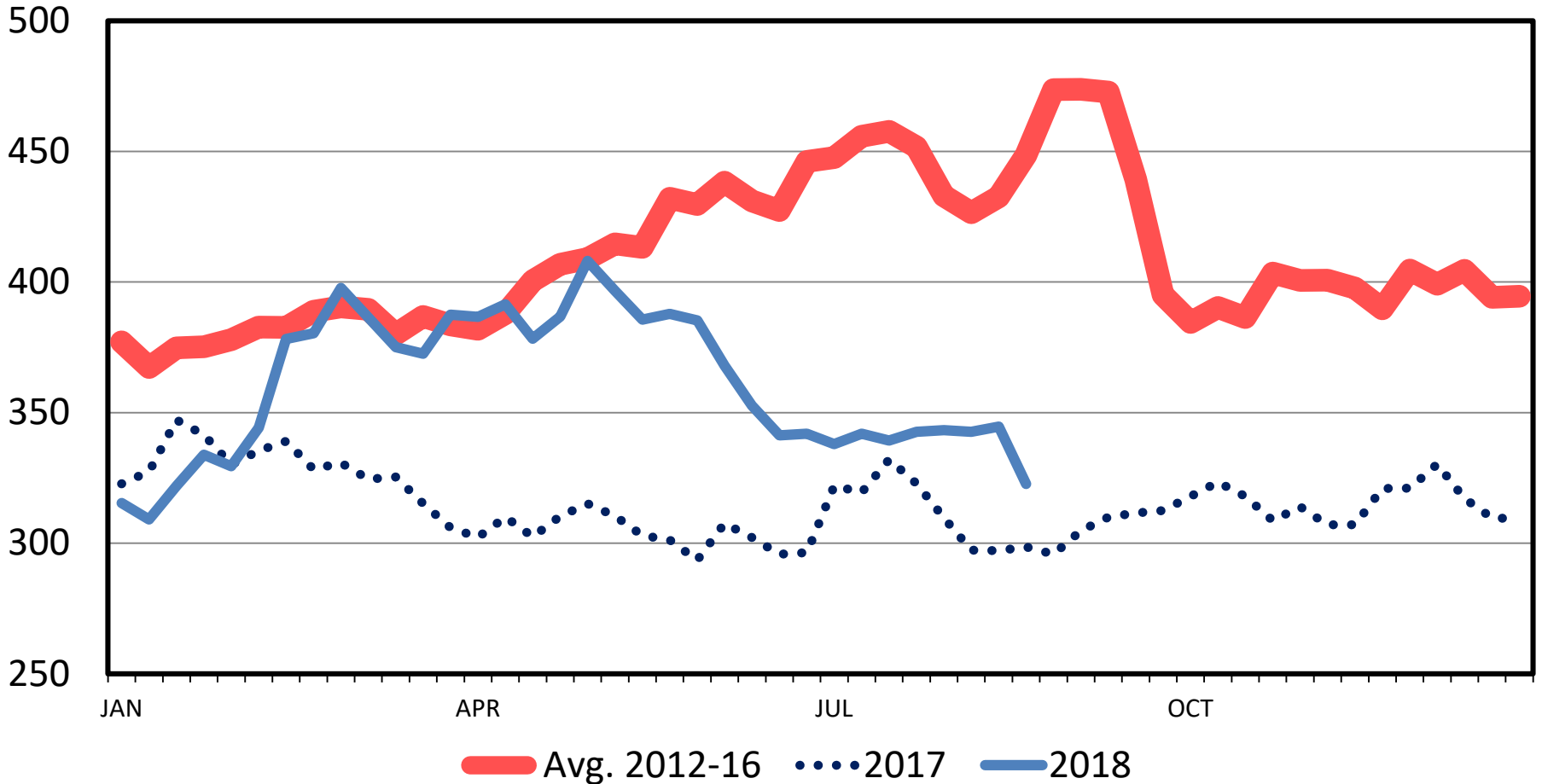
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08/24/18

CENTRAL ILLINOIS SOYBEAN MEAL (48%) PRICES

Weekly

\$ Per Ton



Data Source: USDA-AMS

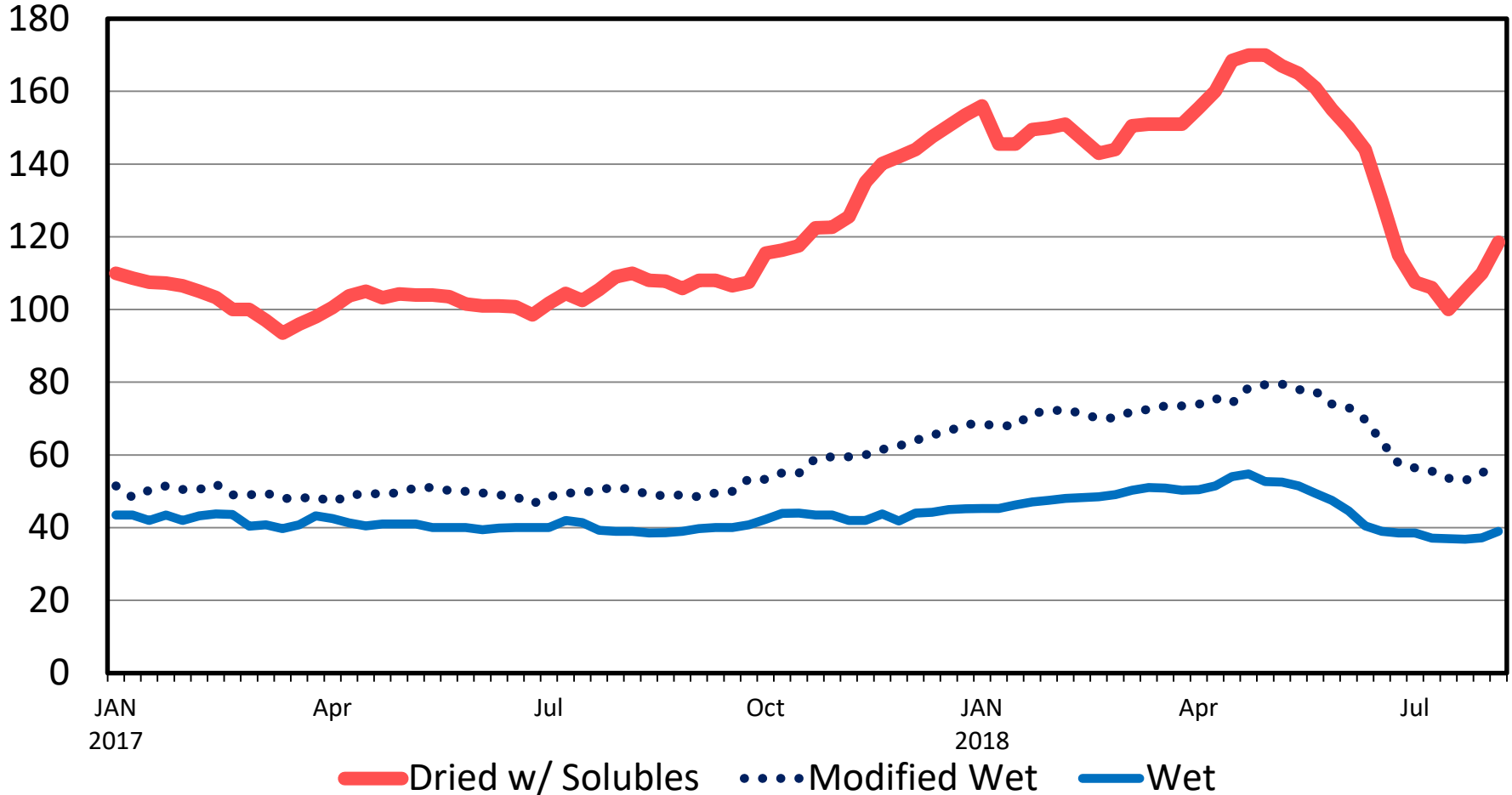
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G-P-07
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DISTILLERS GRAIN PRICES

Nebraska, Weekly

\$ Per Ton



Data Source: USDA-AMS

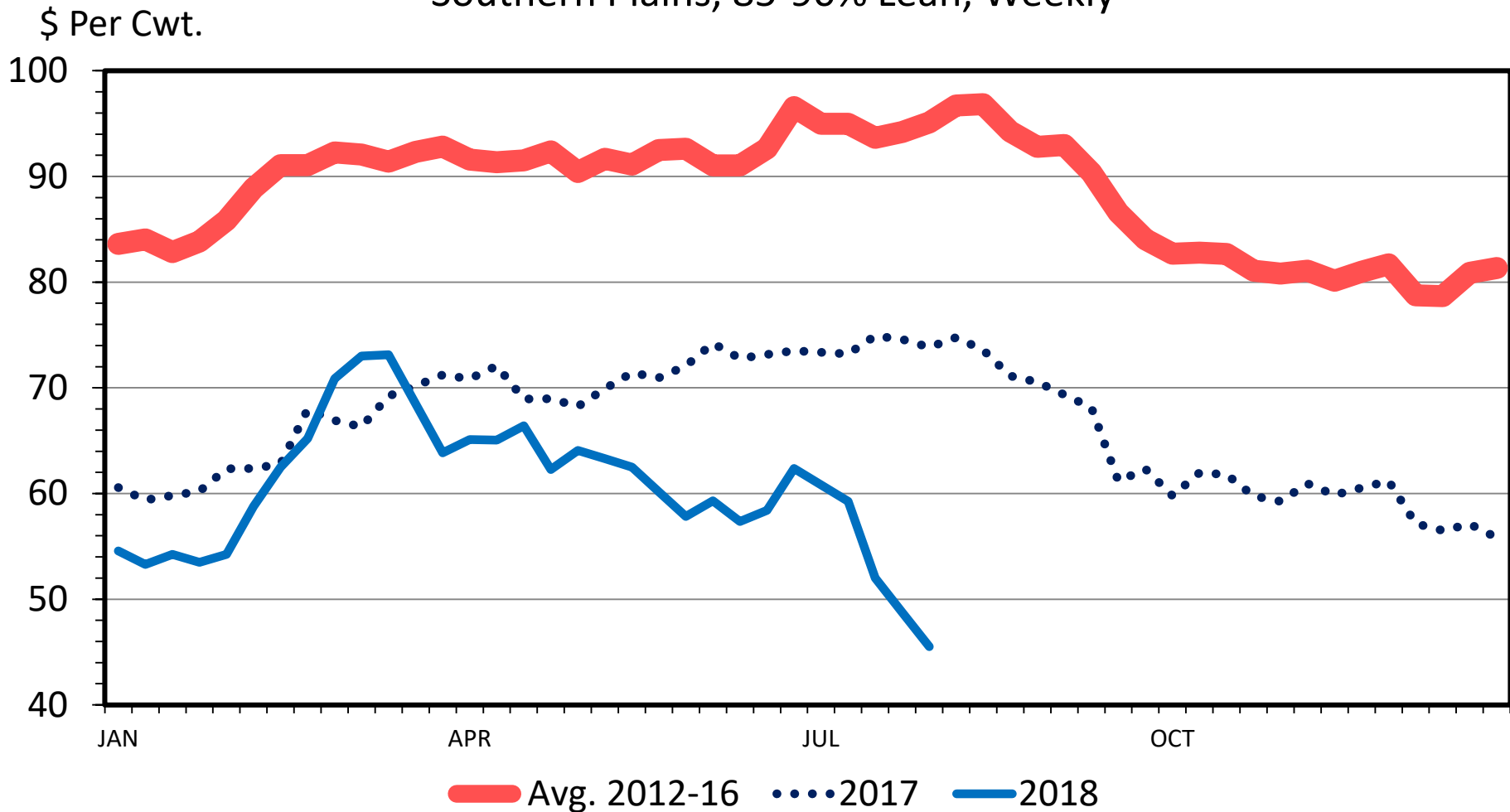
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Cattle and Beef

SLAUGHTER COW PRICES

Southern Plains, 85-90% Lean, Weekly



Data Source: USDA-AMS

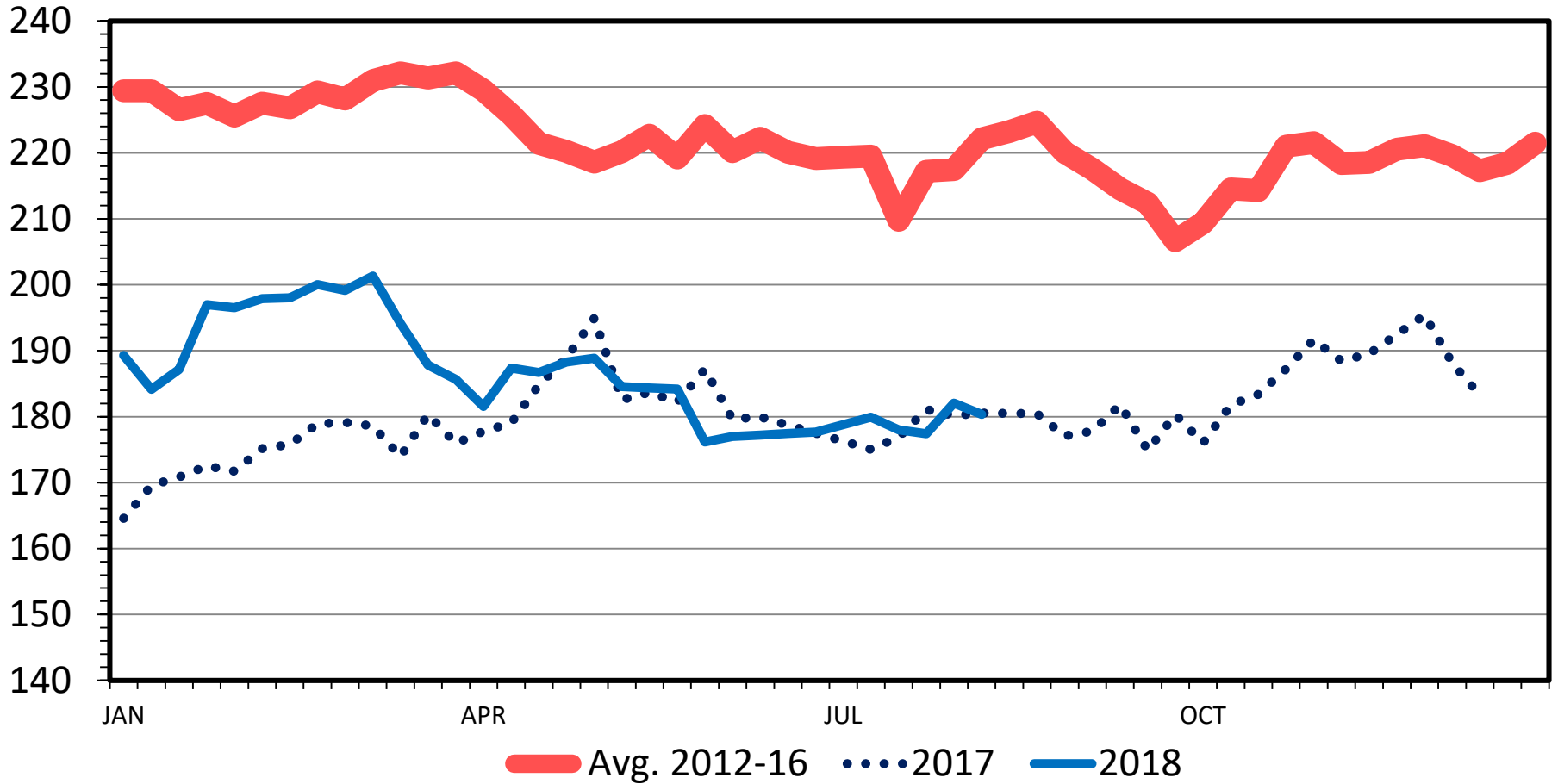
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C-P-35
08/14/18

MED. & LRG. #1 STEER CALF PRICES

400-500 Pounds, Southern Plains, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

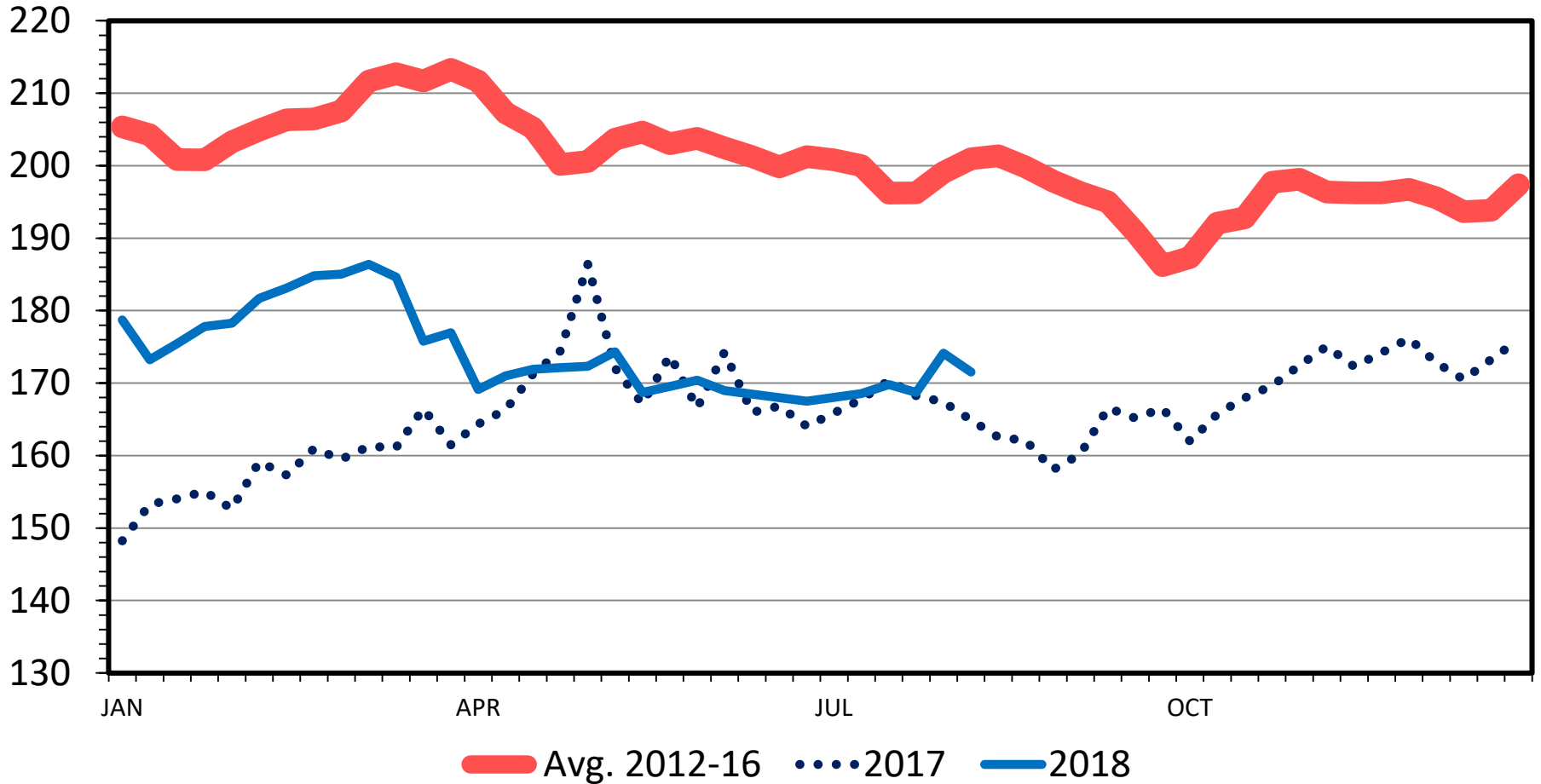
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C-P-49A
08/14/18

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

Livestock Marketing Information Center

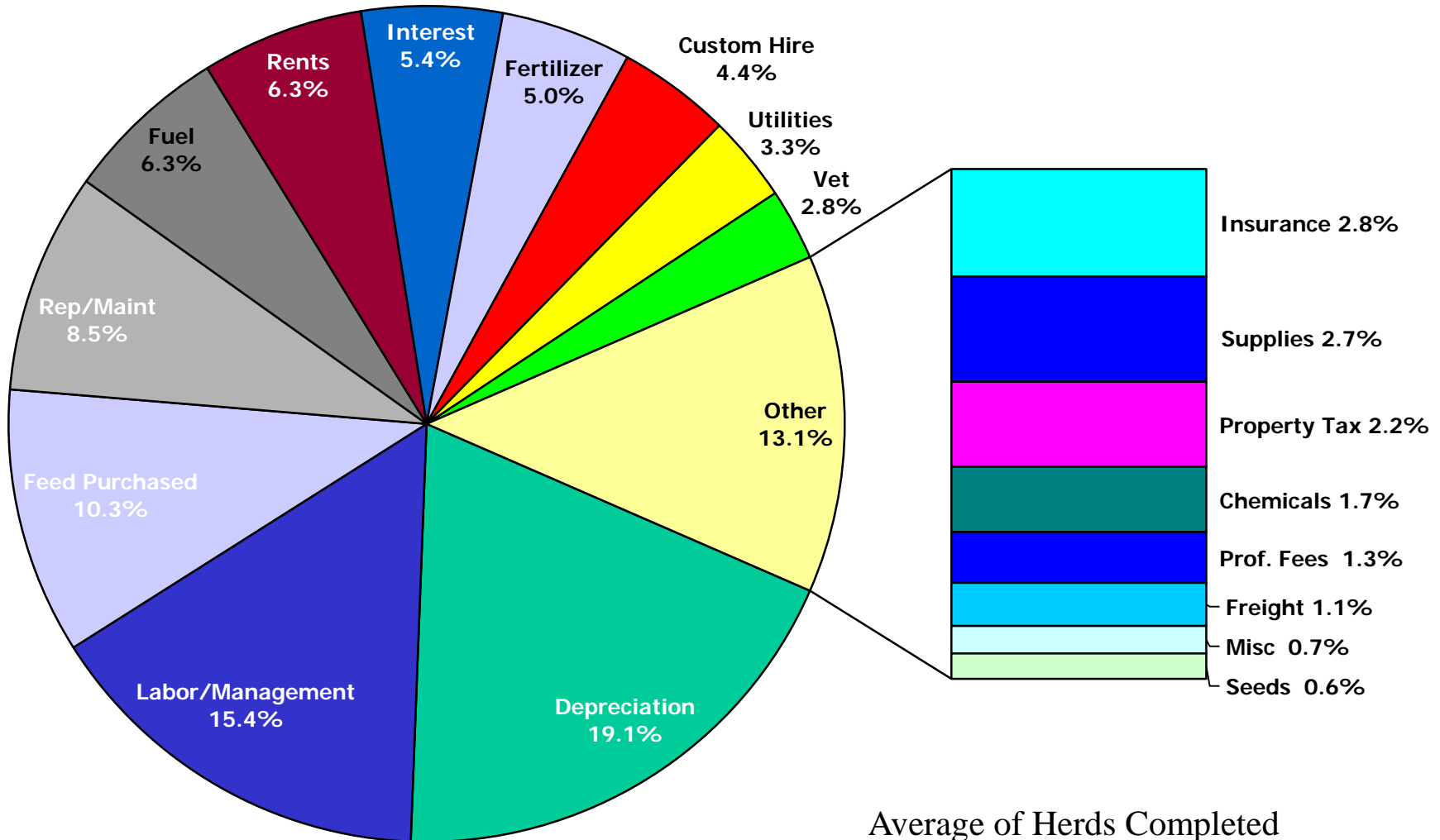
C-P-54
08/14/18

Strategies

2007-2011 SPA Results

Expense Breakdown per Female

Average Total Cost per Female = \$600.21



Cow Herd Management Considerations

- Evaluate cow body condition
 - Early wean calves
 - Sort cows based on Body Condition
 - Better to have adequate condition going into the calving season rather than trying to “catch up”

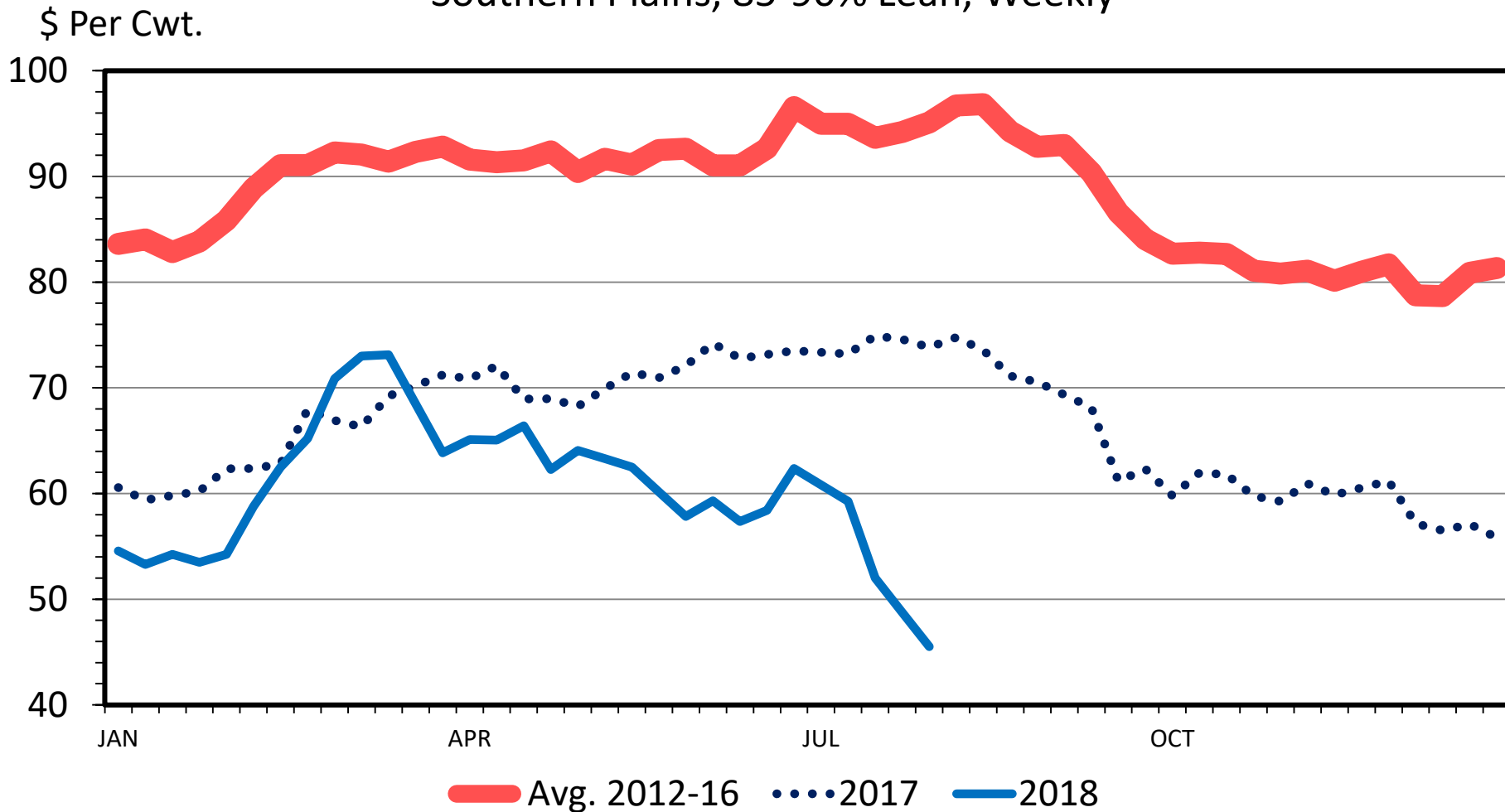
Cow Herd Management Considerations

Evaluate forage conditions and potentially reduce the herd size

- Cull open cows
- Cull cows with feet or udder problems
- Consider Early weaning
- Sell replacement heifers
- Cull >8 year old cows

SLAUGHTER COW PRICES

Southern Plains, 85-90% Lean, Weekly



Data Source: USDA-AMS

Livestock Marketing Information Center

C-P-35
08/14/18

Which supplementation do I use?

- Good quality hay
- Poor hay
- Corn stalks
- Gin Trash
- Byproducts
- Corn and hay
- Cottonseed meal
- Soybean meal
- Personal supplement mix
- Cubes
- Liquid
- Protein blocks



Feeds for Supplementation

- Oilseed Meals
 - high protein; medium to high energy;
- Grains
 - – low protein, high energy
- Breeder/Range Cubes
 - combination of protein and energy in higher fed amounts than high protein feeds
- Protein Blocks and Liquids
 - high protein, low to medium in energy
- Syrup Blocks and Tubs
 - medium protein and energy
- High Quality Hays
 - medium protein and energy

Quality vs. Quantity

An Economic Decision

- NOT :

Cost of High Quality Feedstuffs

vs.

Cost of Low Quality Feedstuffs

- IS :

Cost of High Quality Feedstuffs

vs.

Cost of Low Quality Feedstuffs

+

Cost of Supplements Needed to Fill the Void

Economic Considerations for Alternative Feeding

- Feedstuff prices can guide the economically optimal ration.
- Feedstuff prices do not influence dietary requirements
- Know what your supplemental feed source is and is not providing.
- Only you can determine the correct balance between costs and convenience.
- No matter how cheap you are able to get your feeding program, if it results in poor animal performance, it will not be profitable.

Considerations for Supplemental Feeding

- Feed the highest quality feeds to animals with higher feed requirements (i.e. growing replacement heifers or growing calves).
- Feed the lower quality roughages to cows in the middle-third stage of pregnancy.
- Save the better quality feeds for periods before and after calving.
- Low-quality roughages must be complemented with nutrient-void filling supplements (protein and/or energy).

Confined Feeding

- Move Cows to One Place Or Small Portion of Ranch
 - “Sacrifice pasture”
- Benefits
 - Reduced diesel use
 - Pasture recovery and rest
 - Feed in one place

Confined Feeding (cont.)

- Thoughts
 - Takes time
 - What infrastructure do you need?
 - Feed on ground will work
 - Small waste – 5%

Limit Feeding

- In Conjunction With Confined Feeding
 - Any ration you build is going to be higher quality (more nutrients) than hay
 - Feed less
 - Meet requirements with less feed
- Benefits
 - Cost effective

Hay Losses

- Storage
- Feeding
- Basics
 - Where and how stored?
 - How fed? Rings?

Storage

- Lose 35% Stored Exposed on Ground
- Lose 5-10% Stored on Ground Covered
- Under Roof? 2-5%
- Enclosed Barn? <2%

Storage

- Store to Reduce Loss, Spoilage
- Storage was Cheaper before Steel Tariffs, Lower Interest Rates
- Storage Has Been a Profitable Investment

**This is When Creativity Gets
Rewarded**

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One Big Thing in Livestock Markets

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THANK YOU!
