

Department of Agricultural Economics – Agri-Life Extension – Beef Cattle Decision Aids
<http://agecoext.tamu.edu/resources/decisionaids/beef/>

Beef Cow-Calf and Retained Ownership Decision Aids to Address Economic Questions

In this current beef cattle price environment, there are many economic questions relating to replacement cows and retained ownership. Spreadsheet based decision aids can help address profitability questions. Each producer's situation regarding replacement cows or retained ownership is unique. It's important to gather the data and let the decision aid do the calculations and provide reports that address the situation and owner's goals. **Let your numbers do the talking.**

The single most important factor that determines beef cow-calf enterprise economics is the reproduction efficiency. Maintaining highly productive and economically efficient beef cattle herds requires a cost-effective replacement program. Knowledge of the cost of replacement cows will help evaluate whether replacements should be purchased or raised. The large investment in land and improvements per breeding cow and increase in breeding stock market value means the low ROA is a reality.

A similar situation is faced for retained ownership in an environment of greater capital requirement at risk in volatile price and feed cost environment. The cattle costs at the time the retained decision is made will largely determine if retained ownership is profitable.

Dairy producer's decision aids are provided for retained ownership economics and economics of alternative breeding systems.

Groups of decision aids are in the following topic areas:

- A. Cow-Calf Bid Price and Budgets to Calculate Return on Assets (ROA)
- B. Replacement Heifer Budgets (replacement heifer, AI heifers, bred heifers and pairs, Standardized Performance Analysis (SPA) reproduction)
- C. Cow-Calf Budgeting and Bull Investment Cost
- D. Retained Ownership – Projection and Closeout (cull cows, stocker/feeder and custom finish)
- E. Cattle Inventories – Annual and Monthly
- F. Feed Fed and Purchases
- G. Hay and Grazing
- H. Cow-Calf Grazing Lease Economic Evaluation and Production Records
- I. Labor and Management
- J. Vehicle and Freight Cost
- K. Preconditioning Profitability – Projections, Closeouts and Supporting Spreadsheets
- L. Developing Financial Statements to Measure Ranch Profitability
- M. Grassfed Beef Accounting, Profit Projection and Closeouts
- N. Standardized Performance Analysis (SPA) Reproduction, Production and Grazing Calculations
- O. Cow-Calf Herd Health Economics
- P. Program Cattle Economics
- Q. Herd Bull Replacement - Economics of Alternatives
- R. Sexed Semen Based Breeding Alternatives Economics
- S. Capital Asset Replacement Calculator to Replace IRS Depreciation
- T. Cattle Sales Record and Net Price Calculations
- U. Ranch Hunting Lease Income and Net Income Budgets
- V. Dairy Cattle Retained Ownership Economics
- W. Dairy Breeding

Economics of Alternatives Manuals with operating instruction and definition of terms is provided for each set of spreadsheet decision aids. **Users must use their data as in a volatile production and price environment historical cost and price data is seldom correct. 6-21-2022**