

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

In this current beef cattle price environment, there are many economic questions relating to replacement cows and retained ownership. These spreadsheet-based decision aids can be part of the ranch management information system (RMIS). These aids can help address production activities' profitability questions and total business financial statements that measure financial position and performance.

For example, 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.

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

Maintaining cattle inventory is essential for measuring productivity. Monitoring labor and management, feed fed and purchased and vehicle costs can help control these costs. **What gets measured is managed.**

Ranch Hunting is a profitable opportunity for many ranches. The decision aids assist in evaluating alternatives.

Dairy producer's decision aids have been developed to address topics similar to beef cattle for retained ownership and dairy breeding alternatives.

Listed are Topic Areas of Decision Aids and their Titles:

1. Cow-Calf

- A. Cow-Calf Bid Price and Budgets to Calculate Return on Assets (ROA)
- B. Cow-Calf Budgeting and Bull Investment
- C. Cow-Calf Health Economics
- D. Standardized Performance Analysis (SPA) Reproduction, Production, Grazing Calculations
- E. Herd Bull Replacement - Economics of Alternatives
- F. Beef Sexed Semen Based Breeding Systems – Economics of Alternatives
- G. Cow-Calf Grazing Lease Economic Evaluation and Production Records
- H. Hay and Grazing Economics

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2. Replacement Heifers

- A. Replacement Heifer Budgets (replacement heifer, AI heifers, bred heifers and pairs)
Standardized Performance Analysis (SPA) reproduction

3. Beef Cattle Retained Ownership

- A. Retained Ownership – Projection and Closeout (cull cows, stocker/feeder and custom finish)
- B. Preconditioning Profitability – Projections, Closeouts and Supporting Spreadsheets
- C. Program Cattle Economics
- D. Grass fed Beef Accounting Setup, Profit Projection and Closeout

4. Cattle Sales Records and Net Price Calculations

5. Supporting Decision Aids

- A. Labor and Management
- B. Vehicle and Freight Cost
- C. Cattle Inventories – Annual and Monthly
- D. Feed Fed, Purchases and Inventory
- E. Capital Asset Replacement to Complement IRS Depreciation

6. Developing Business Financial Statements to Measure Financial Performance

- A. Ranch Financial Statement to Measure Profit is Beyond IRS Tax Reporting
- B. Financial Data Generating Spreadsheets
- C. Supporting Finance Publications

7. Ranch Hunting Lease Income, Costs and Net Lease Income Budgets

8. Dairy Retained Ownership and Breeding Economics

- A. Dairy Cattle Retained Ownership Economics
- B. Dairy Breeding Economics of Alternatives

Users must use their own data. In a diverse, volatile production environment historical production, cost and price example data will not be correct. Examples are only to facilitate use of the decision aids.