# The Roadmap to the top 25% for Beef Producers

In general terms there are key points to being a top 25% beef producer. The reason to be in that group is seen in examining a Kansas State paper produced in 2018 showing that when a cow-calf producer is in this group they can make money or minimize losses most years1. A quick look at another paper published by the Western Beef Development Centre shows similar conclusions2. Profitability for average producers is low with only six years out of forty-one showing a positive return to investment for the Kansas State study group, and for Alberta producers ten years were financially profitably out of twenty-five years3.  However for the top 25% of producers in the Kansas State study they made a profit consistently over the study period 2012-/2016. It is clear that there are management steps to take that will lead to consistent positive profitability and the top 25% producer are doing them.

**Roadmap to the top**

- Be convinced you need to be in the top group
- Establish your current farm financial position
- Write down all costs and revenue and complete a COP.

Much of the advantage in profitability of the top group is in how feed is harvested, stored, and how feed waste is controlled then, pasture management. Farm size has a definite influence on feeding management. Farms below 100 cows can successfully use inverted cone feeders and achieve 10% waste levels for forages. Other types of feeders are not as good and feed waste can reach up to 30%. This is the difference in profit or loss. Farms with more cows benefit from mechanization and so can economize on time management and feeding efficiently. The Highline Bale Pro® series perfectly fits in this position on the farm.  Once over 100 head then decisions begin to be made about silage or dry hay, or combinations of both. Producers doing a good job on dry hay are achieving 15% or less forage loss through the feeding season. Silage storage losses are about 10% and can go higher quickly if the pit face or the feeding strategy is not managed properly. Compare beginning inventory of feed with ending inventory and then calculate cost per cow. Year by year comparisons will identify trends and specific farm benchmarks can be identified.

Major elements:

- Pasture costs/grazing days
- Extended grazing time period
- Stored forage cost, feed management and waste
- Best cost ration formulation using available forages
- Days in yard should be minimized
- Marketing plan to maximize income

Special areas of interest emerge when examining decisions that significantly affect profitability. Take into consideration that 1% or 2% improvements can make all the difference in profit or loss adding up between categories.

Feeding and feed management will be a deciding factor. Look at meeting the nutritional needs of the animals without exceeding or falling short of their nutritional requirements. Waste of forages is common so study what is happening and look for ways to reduce loss. High profit farms always have good control of feed costs meeting or beating benchmark values.

Look at pounds of calves produced per cow exposed to breeding. Assess farm protocols around the factors that affect the cows and heifers getting in calf. These include Body Condition Score, bull breeding status, and mineral status. The cow's body is capable of drawing on body reserves to meet spike demands for minerals so meeting daily mineral demands will build those reserves for the reproductive and immunological requirements at all stages of production.

When these elements are in place and working well look at pasture costs. In a discussion with Alberta Agriculture economists they said pasture costs have risen 100% over twenty years. This area presents five options: Marginal pasture, improved pasture, rental pasture, community pasture, and crown lands grazing. Two options are most often associated with profit, crown lands and marginal pastures. The remaining three must be examined carefully according to specific farm costs as they can put serious negative pressure on profit. Land cost and yield of forage (carrying capacity of pasture) will be a strong determiner of profit or loss for the beef operation.

Extended grazing on stockpiled forage or crop residue is a cost saving move and utilizing this management strategy will save on winter feed costs. Various regions of Canada and the United States have greater opportunities than others due to depth of snowfall and incidents of severe weather. Take every opportunity that can be had in this option. Extended grazing takes the cow into the later gestation period which often requires supplementation with protein and possibly extra energy. Using the Highline Bale Pro® can efficiently and quickly supply properly blended forages and grain. Chopping the forages encourages the animals to clean up the ration, reducing waste.

Spending time completing a Cost of Production for the farm will highlight the areas for management attention, and action on the critical control points will propel the farm into the top 25% of producers who profit more frequently than an average producer.

1. Differences between High-, Medium-, and Low-Profit Cow-Calf Producers: An analysis of 2012-2016 Kansas Farm Management Association Cow Calf Enterprise, Dustin L. Pendell, and Kevin L. Herbell, Kansas State University Department of Agricultural Economics, January 2018
2. Western Beef Development Centre, COP studies various years
3. Agriprofit$, Benchmarks for Alberta Cattlemen, Special Edition 22 Year Economic, Productive, and Financial Performance of Alberta Cow/calf Operations (1975-2016)

**CORPORATE RUMINANT NUTRITIONIST**

**John Maltman, M.Sc., P.Ag.**