Production Enhancement – Cattle Records

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In our discussions about production enhancement, we have generally focused on how to increase the number of pounds marketed per cow. The problem is how do we determine if maximizing production is profitable. I am reminded of one of my producers that was able to brag about the pounds of calf he could wean per cow. He always neglected to comment on maintenance costs for his 1600-pound cows and the amount of creep feed his calves consumed. Production needs to be profitable if we are to sustain our cattle enterprises. What is needed is a standardized method of measuring production and financial performance. We all realize that we need to be able to measure where we are at a given point in time and in what direction we are headed.

Production and financial goals and management practices are different for each producer and region but standardized methods to measure costs and production are critical to properly evaluate our beef cattle enterprise's production and financial condition. Goal setting provides the target and record keeping the means of tracking factors that will influence our goals. The real value of records is to measure change when we alter management from year to year and to compare our production and financial performance to other producers. This comparison is a means of benchmarking our cattle enterprise relative to the industry. The National Cattlemen's Beef Association and the National Integrated Resource Management Coordinating Committee have developed the NCBA-NIRM-Standardized Performance Analysis (SPA). SPA standardizes the calculations for production measures and financial performance that will allow meaningful comparisons. An example of the problems that are encountered without a standardized system is the comparison of pregnancy rates. We need to define what a pregnancy rate is to have a meaningful comparison. It makes a significant production and financial difference if we define herd pregnancy rate as cows pregnancy checked in the fall, cows exposed to the bull that calved or cows that had a calf in the spring. It is also a great benchmarking tool to know how our beef production enterprise compares to other beef producers in the region, state or nation. With standardized records, we can set goals for our cattle enterprise, compare our enterprise from year to year, and determine if our level of production or financial return is meeting those goals. We can then benchmark these goals and determine at what point a level of production is significant enough to need to implement cost effective change or intervention. Examples of the questions good records will tell us answer are: At what point is energy supplementation to my cowherd cost effective? Is the purchase of a $2000.00 bull with good EPD's cost effective? What return will I get out of changing my vaccination program? SPA records will give us the herd specific facts to answer these types of questions.

The following chart is from the Proceedings of the Beef Short Course, Gainesville, FL 1997. These are National averages figured on about 0.80 calf prices and cull cows at about 0.45. How does your herd compare? Do you have a record system in place to know what your values are?

Production Measures

Pregnancy percentage	90.6

Calving percentage	88.3
Weaning percentage	84.1
Actual weaning weight	514
Pounds weaned per exposed female	434

Financial and Economic Measures

Investment cost per breeding cow	
Total investment cost basis	2019
Return on assets cost basis	4.7%
Total investment Market Value	3342
Return on assets Market value	3.1%
Debt load cost basis	475
Financial cost per breeding cow	
Raised/purchased feed cost	116
Grazing costs	36
Total operating costs	360
Financial expense	50
Total cost per cow per year	410
Net income per breeding cow before taxes	**$29.00**

These figures demonstrate a level production and costs on a national basis. With our ability to graze near year around in Georgia, we can compare very well to these annual cow costs. We need to validate our economic advantage of cattle production in Georgia relative to the national averages by adapting and using a state wide SPA certified record system. The system could be used to facilitate communication between producers, provide objective measures of differences, identify intervention criteria, and evaluate the cost effectiveness of changing management procedures.