

Making Tough Production Decisions



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33 years of developing genetics



650 to 750 pound Charolais
terminal cross



\$80 to \$100 per cow advantage



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Cost Considerations

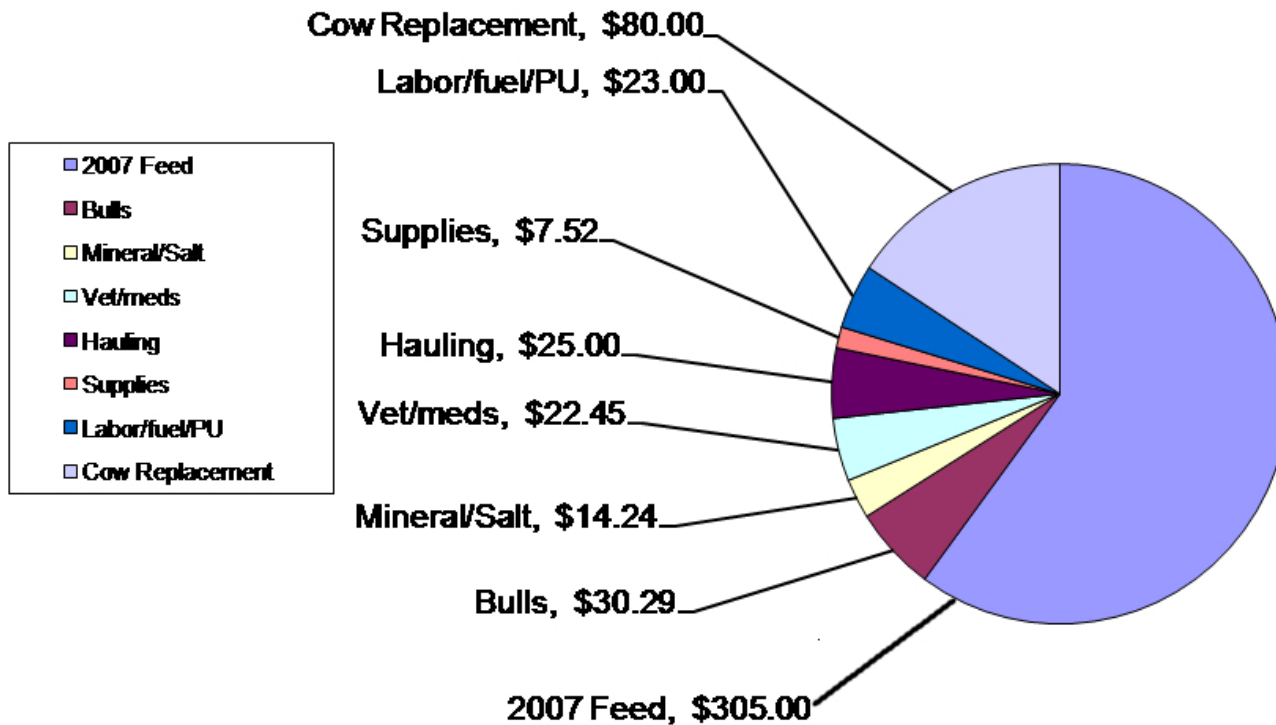
Bred Heifer Costs

2007	2009	
\$62.40	\$54.80	Replacement heifer opportunity cost (Compared to full crossbred herd)
<u>+748.00</u>	<u>+663.00</u>	Avg price/heifer (same cow group 2007)
\$810.40	\$717.80	Opportunity Costs at weaning
<u>+70.00</u>	<u>+65.00</u>	15 months interest from weaning till ready to calve
\$880.40	782.80	Total Opportunity Costs
\$140.00	\$150.00	Grazing costs (\$15/Mo-June to Dec plus weaning to Jan)
<u>+225.00</u>	<u>+240.00</u>	Feedlot costs + breeding costs
\$365.00	\$390.00	Total Feed, Grazing and Breeding costs
\$40.50	\$42.00	Fallout costs (20%fallout spread over all heifers)
<u>+20.00</u>	<u>+18.00</u>	Interest on operating
\$60.50	\$60.00	Added overhead costs
<u>+175.00</u>	<u>(5.00)</u>	Displacement costs (cow vs. hfr occupy space, depends on profit of cow)
\$1480.90	\$1227.80	Total cash plus opportunity cost

2007 Cost and Income

Production Cost per Cow

Total: \$507.49



Revenue per calf

\$763.83 Avg. revenue/calf*

-507.49 '07 cost/cow

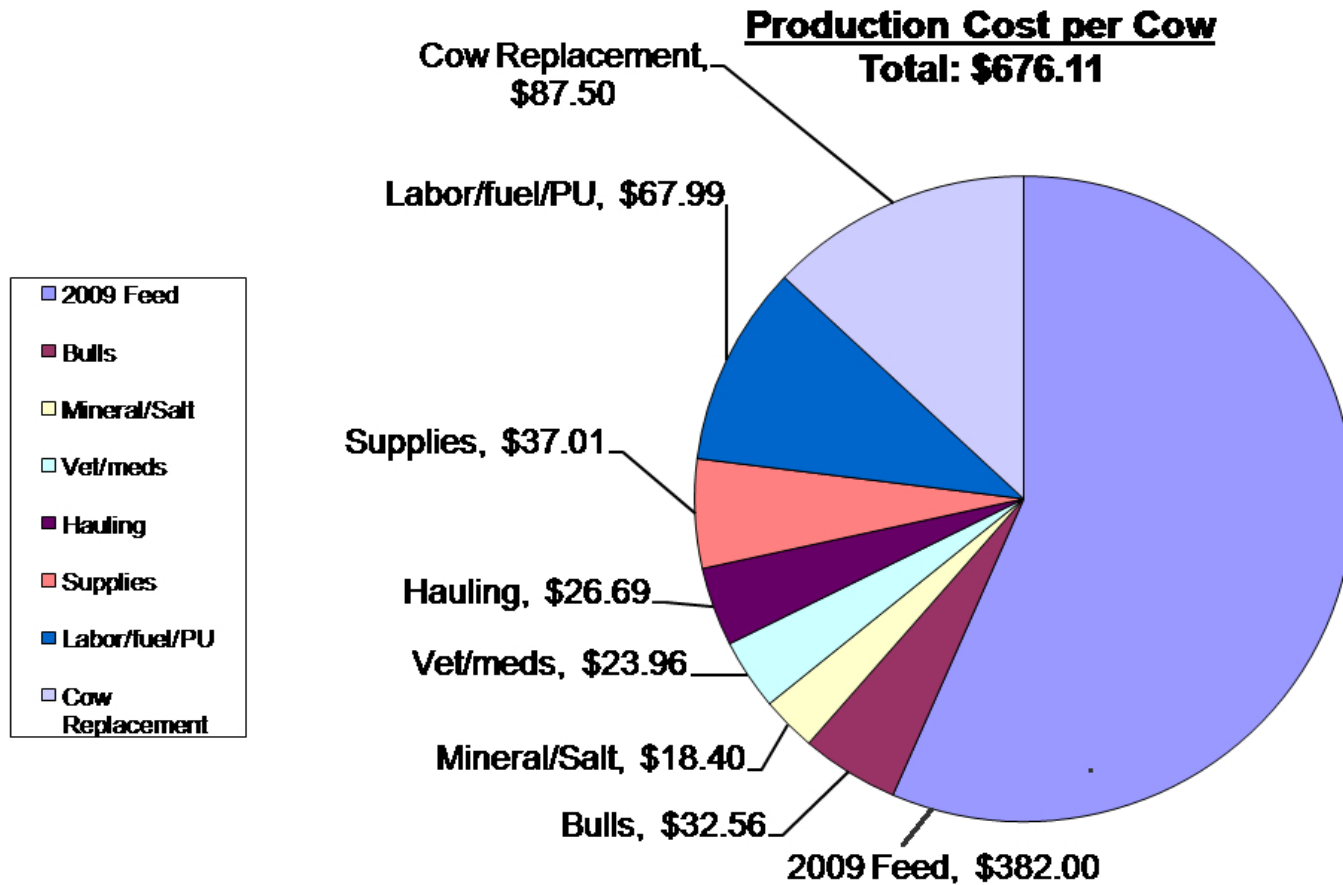
\$256.34 Net revenue/calf

*\$685.61 All heifer average

\$829.76 All steer average



2009 Cost and Income



Revenue per calf

\$668 Avg. revenue/calf*

-676 '07 cost/cow

(\$8) Net revenue/calf

*\$624 All heifer average

\$683 All steer average

Calf Crop

30% First Calf Hfrs - 2009

9% First Calf Hfrs - 2007





System Benefits for rep heifer producer

	<u>Before</u>	<u>After</u>	<u>Impact</u>
Steer Calf Weight Oct 1	625 lbs	660 lbs	+\$55/head
Heifer Calf Weight	595 lbs	625 lbs	+\$79/head
Heifer Development Opportunity (\$330 development & Feed)	90% x	\$114	\$102/head

System Benefit per 100 cows	<u>Per calf</u>	<u>TOTAL</u>
48 steer calves	\$55	\$2640
48 heifer calves	\$79	<u>\$3792</u>
VALUE GAIN PER 100 COWS @ WEANING		\$6432
		per cow \$64.32

When heifers are developed and sold as bred heifers		
47 hfrs x \$102		\$4792
		per cow \$47.92

TOTAL GAIN ON FULL PROGRAM \$112.24/cow in herd

F1 and straight bred steers



It takes time and communication to develop trust
in a relationship





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