



SISKIYOU STOCKMAN

What's New in the "Top of the State". A report for Siskiyou Livestock Producers put out by the Farm Advisors Office, Cooperative Extension of the University of California, located at 1655 South Main Street, Yreka, California 96097

July 2008

Unprecedented Change, New Challenges and Opportunities



- Unprecedented Change, New Challenges and Opportunities
- Beef Quality Assurance

Calendar

Aug 6-10 Siskiyou Golden Fair, Yreka, CA
Aug 28 Annual Cattle Tour, Dorris, CA
Sept 4-7 Butte Valley/Tulelake Fair, Tulelake, CA

The "old days" are now just two years ago. Dramatic changes in feed and fuel costs have occurred in just the past two years. Grain prices are much higher as are prices for hay. How much have those prices increased ration costs and do they dictate fundamental changes in the rations for the cow herd? In an attempt to answer those questions I have compared rations from the "old days" to those with current prices.

For my comparison I used fall calving cows during the winter on hay. Prices and quality of common hay and grain were used. The rations were based on grain hay that was home grown and thus priced at a cost to get it in front of the cows. Other hays and grains were priced f.o.b. the farm plus \$25 per ton transportation. This information was used in a least cost computer ration program to unbiasedly select a ration that met the animals requirements at the least cost. In this comparison the only change was the price of feeds; using prices from the "old days" and today. The assumptions and prices are shown in Tables 1-3 (page 2).

Surprisingly, the computer selected almost the identical rations even though the prices for each component were drastically higher in 2008. I didn't rig the comparison, the 2008 prices were entered using standard price reports and what I have heard growers are receiving. This suggests that universally buyers have made adjustments to the commodity prices and the same balance between feedstuffs (hay and grain) exists but at a much higher level.

Table 1. Lactating cow nutrient requirements.

Cow Requirements	DM Basis	As Fed
Daily intake, lbs.	24.9	28
Crude protein, %	8.8	
TDN, %	56	
Calcium, %	0.25	
Phosphorus, %	0.17	

Table 2. Nutrient analysis and cost of feeds considered in the least cost ration.

Feeds Available	TDN, %	CP, %	"Old Days"	2008
			\$/ton	\$/ton
	100% DM Basis		As Fed Basis	
Grain hay, soft dough	55	6	70	155
Grain hay, boot	60	9.5	80	180
Grain hay, flowering	55	7.5	75	170
Alfalfa, Util	54	14	90	180
Alfalfa, Fair	57	17	105	190
Alfalfa, Good	59	19	120	200
Alfalfa, Prem	61	21	135	210
Alfalfa, Supreme	64	23	150	220
Grain (Wheat)	89	10.8	125	250
Corn, Flaked	88	10	120	270
Molasses	72	5.8	80	
Urea	0	281		350

Table 3. Least cost ration satisfying animal requirements (Table 1) and available feeds (Table 2).

Selected Least Cost Ration	"Old Days"	2008
	As Fed Basis	
Grain hay, boot, lb/day	15.4	16.1
Grain hay, soft dough	9.3	9.9
Alfalfa, Util	2.9	1.7
Urea		0.02
Daily cost/cow	\$1.07	\$2.39
Ration cost, \$/ton	\$77	\$172

Not surprisingly the daily feed costs have gone up dramatically. Perhaps the extent is surprising, *daily*

feed costs for cows have more than doubled from \$1.07 to \$2.39 per cow per day. The increase certainly takes your breath away.

The increases in feed costs present new challenges. Based on the feeds used in this ration, the “value” or “opportunity value” of other feeds can be estimated (Table 4). If feeds could be obtained for less than the “Value” shown in the table then they would lower feed costs. There may be some chance to purchase wheat or rice straw or rice bran for less than shown in Table 4.

Table 4.

Feed, TDN, CP	"Value"
Alfalfa, Fair 57 17	189
Alfalfa, Good 59 19	195
Alfalfa, Prem 61 21	200
Alfalfa, Supreme 64 23	210
Almond hulls 45 1.7	140
Corn stover 50 5.9	148
Corn, Flaked 88 10	237
Grain (Wheat) 89 10.8	238
Grain hay, flowering 55 7.5	167
Molasses 72 5.8	172
Rice bran w/ germ	208
Rice straw	136
Triticale grain 84 18.9	240
Wheat straw	138

Other responses and comments I have heard from a variety of sources suggest several possible changes to cope with these increased costs.

1. Increase grazed forages to reduce hay feeding.
2. Shrink cow herds to provide carryover or “standing” forage for more months into the winter.
3. Ship cows to warmer climates for grass.
4. Grow more alternate feeds that provide quality forage into the fall and early spring.
5. Consider more alternate, non-traditional preserved feeds and by-product feeds.
6. Shift to spring calving.
7. Reduce cow size and/or reduce milking potential to lower feed requirements.
8. Institute higher intensity, rotational grazing to encourage greater carrying capacity.

9. Rent/lease more grazing ground.
10. Fertilize to get more forage from the same ground and water.
11. Wean earlier so calves get the better feed, use less than pairs and find a low quality forage for the dry cows. (Couple this with item 4 below).

These 11 items focus on the cost side, the feed side; other possibilities may include factors to increase the output side (without increasing the inputs as much). These might include:

1. More hardware. This might be an additional water tank and piping, or fencing, to help distribution of cattle on rangeland and thus increase grazing. Producers that have purchased hay, may want to purchase used haying equipment. Dairy men have been purchasing new haying equipment and there might be a large supply of used haying equipment. The higher costs of hay may over several years justify investing in fixed costs.
2. Increase breeding management. A simple 2 breed rotational breeding system, instead of just using a single breed of bulls, has typically shown an overall increase of 25 percent in output. This can be done while maintaining any popular color for marketing premiums. Perhaps even go to a 2 breed rotation system that also uses terminal sires to maximize output while still raising your own replacements.
3. Adopt new management practices such as age and source verification, natural, etc. to receive higher prices.
4. Reduce cow herd and run more of your own raised stockers. The "stockers" provide additional flexibility for poor forage-growth years, may be synchronized better with seasonal forage growth. In addition, some experts suggest feedlots will seek heavier weight cattle to reduce days on feed. Calves up to about 900 pounds can be placed in feedlots for short turn-around feeding. Some of these "experts" even suggest the typical price difference between light and heavy calves may be inverted in the future, giving additional incentive to keep weaned calves on grass longer.
5. Anticipate market changes. Recently the emphasis has been on quality beef, beef for the higher end. With advancing food costs consumers may become more price-conscious to lower their food bill. Thus, beef below Prime and

Choice grades may become more attractive. At the same time if and when export markets expand, the spread between Choice and Select may become even greater. Competition globally will increase and interact with U.S. and export markets.

6. The current production/finishing systems have been based on relatively cheap grain. Corn at \$8 or even \$5 a bushel is far different from \$2 corn, so expect changes in the feeding industry. Cattle are more flexible in their grain requirements than competing meat products, and even today grain represents only a fraction of the total energy requirements to produce beef.

Probably every ranch is already doing at least some of these items to some degree, and not all are feasible on every ranch.

Beef Quality Assurance

Beef Quality Assurance will be the featured topic at the Annual Cattle Tour scheduled for Thursday, August 28, in Dorris, CA. The morning session will be a presentation on Quality Assurance leading to a test and upon passing the issuing of certificates in Beef Quality Assurance standards. These certificates may be valuable in marketing and the knowledge learned will lead to increased efficiency through enhanced production.

The Quality Assurance training and testing will consist of a 2 hour presentation starting at 10 am with registration at the City Hall, Dorris, CA at 9:30. Following the Quality Assurance training will be the afternoon sessions of the cattle tour including carcass awards for youths, speakers from the state Cattlemen's Association and presentation of the Cattleman of the Year award. The program is open to all interested persons.

This is your copy of the Siskiyou Stockman, which you requested, or which we thought would be of interest to you.

Sincerely,



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