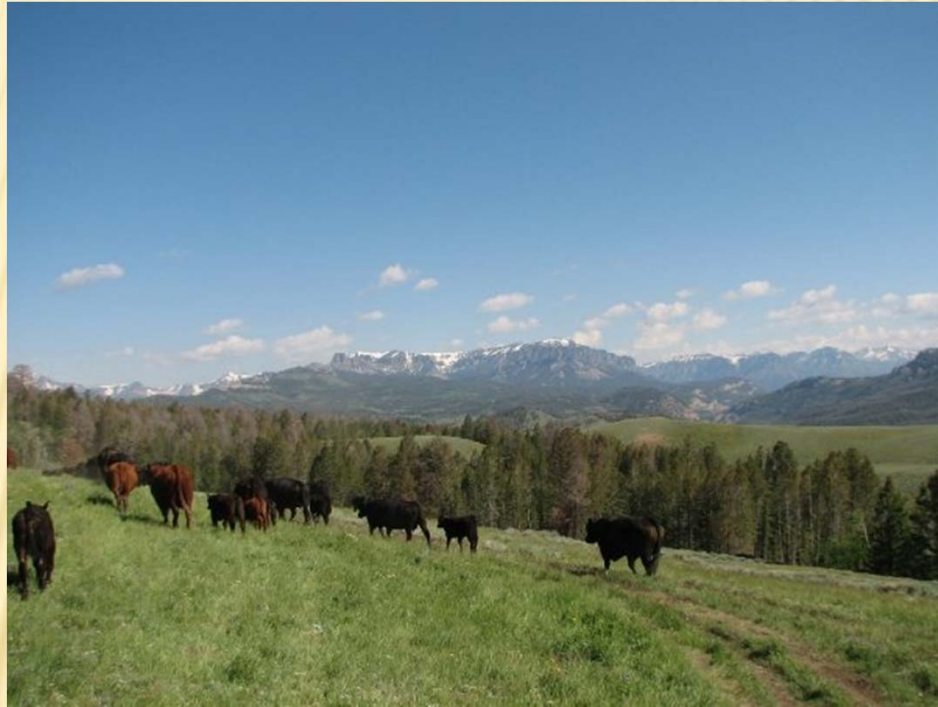


COST COMPARISON OF METHODS OF HEIFER REPLACEMENT



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INTRODUCTION

- Why?
 - I. Observing growing up
 - II. Profitability for Producers
 - III. Producers Have Enough to Worry About

INTRODUCTION - DECISIONS

- Decisions
 1. Producers Make them Everyday
 1. When to Sell?
 2. When to Buy?
 3. Feed Programs?
 4. Vaccines?
 5. Genetics?
 6. Cull and Replacement?

INTRODUCTION – TWO METHODS

- Raise Replacements from Existing Calf Crop



INTRODUCTION – TWO METHODS

- Buying Bred Heifers Just Prior to Calving



INTRODUCTION - THESIS

- Each method of replacement could be right, depending upon the producers goals and needs in terms of their cow herds, and what resources they have available for their cow herd.

OVERVIEW OF COW – CALF HERD

- Wyoming and Rocky Mountain Region
 - I. Feed Pregnant Cattle Winter Rations
 - II. Calve The Cows in Early or Late Spring
 - III. Summer Pasture Cows and Calves on Grass
 - IV. Breeding Occurs During Summer as Well
 - V. Sell Weaned Calves in Fall and Select Possible Replacements if Method is Chosen
 - VI. Cull of Older or “Bad” Cows

OVERVIEW OF REPLACEMENT

- Producers Replace with Heifers to Replace the Cull Population and Future Death Loss.
- Producers Replace 15-25% of total herd with incoming Heifers. (Fuez)
- Heifer – Cow that has not yet calved
- Replacement Heifer – Heifer of Breeding Quality

METHODS

Similar Studies

- Dillon M. Feuz, University of Wyoming Alum.
Date Unknown
- Harlan Hughes, for Beef Magazine. 2007

METHODS ASSUMPTIONS

- Just a Cost Analysis Per Head Basis
- Current Market Prices: Feed, Cattle, Pasture
- Replacements Placed in Feedlot for Winter Feeding to get targeted Avg. Daily Gain
- \$3000 Bulls Breeding for 4 years

METHODS STEP BY STEP

- Raising Replacements
 1. Weaning - Wean Calves in Fall and Select Best Heifer Calves for Breeding the Next Summer. Opportunity Cost of Not Selling Heifers.
 2. Weaning to Breeding – In Winter Time Calves Placed in Feedlot and Fed Rations for Accelerated Weight Gain.
 3. Breeding to Pregnancy Check – In summer and early fall, heifers are turned out on grass with bulls for breeding.
 4. = Total Cost \$ of Raising Heifer

METHODS STEP BY STEP

- Buying Bred Heifers
 1. Buy Bred Heifers from Auction Prior to Calving
 2. = Total Cost \$ of Heifer



RESULTS RAISING REPLACEMENT HEIFERS

Phase 1 Weaning		
Opportunity Cost of Not selling the Heifer		
Weaning Weight		500 lbs
Market Price Oct. 25th 2009 For Feeder Heifers \$/cwt		\$96.41
Opportunity cost of not selling the Heifer		\$482.05

RESULTS RAISING REPLACEMENT HEIFERS

Phase 2 Weaning to Breeding			
Target ADG on Feedlot of 1.45-1.50 lbs/day @ 180 days= 265lbs			
Feed	Lbs/Day	Feed Price	
Corn	9	\$3.43/bu 56 lbs/bu @ 180 days	\$100
Minerals		.025 tons total @ \$150/ton	\$3.75
Alfalfa	6	\$100.00/ton @ 180 days	\$54
Total Feed Cost			\$157.75
Total Weight		765	
Feed			\$157.75
Lot Rent for 180 days			\$20
Vet and Medicine			\$20
Death Loss			\$15
Total			\$212.75

RESULTS RAISING REPLACEMENT HEIFERS

Phase 3 Breeding to Pregnancy Check 137 Days		
ADG on grass = 1.5 lbs/day*137 days= 205.5		
Price per pound of gain \$.32/lb of gain*205.5		\$65.76
Breeding Costs =1 bull @ \$3000 breeding 20 cows for 4 years,		\$37.50
Costing ≈ \$350/year feed costs		\$4.38
Total		\$107.64

RESULTS RAISING REPLACEMENT HEIFERS

Time Spent on Heifers Overall		
317 days spent with heifers avg of 1 hour/20 head of cattle/day		
1 hr/ 20 is 3 min individually/day 3 min * 317 days=951 min		
951/60min/hr= 15.85 hrs spent on each individual heifer		
15.85 hrs * \$7.00/hr		\$110.95
Total Costs for Heifer up to Pregnancy Check		\$913.39

RESULTS BUYING REPLACEMENT HEIFERS

Purchasing Bred Heifers			
Market Price for Bred Heifers on 10/25 weighing 975lbs = \$855.00			\$855.00

RESULTS PRICE COMPARISON

- Raising Your Own Heifers
- Price = \$913.39
- Buying Replacement Heifers
- Price = \$855.00
- Cheaper by \$58.39

RESULTS FROM DILLON M. FEUZ

- Cost of Raising Replacement Heifers
= \$690 - \$717
- Cost of Buying a Bred Heifer
930 lbs @ \$68.00/cwt = \$632.4
- Difference of \$84.60

RESULTS FROM HARLAN HUGHES STUDY

- Cost of Raising a Replacement Heifer
= \$1,146
- Cost of Buying a Replacement Heifer
Projected = \$ 1,147.47
- Difference of \$1.47

ALTERNATIVES

- Feed Hay and Mineral Rations to Wintering Calves
- Project Profitability for 7 Years
- Buy Bred 3 Year Old Cows
- Buy Premium Heifers
- Better or Worse Bulls

RECOMMENDATIONS – ADV. DISADVANTAGE

RAISING YOUR OWN CATTLE

- Advantages
 1. Raising Cattle Your Way
 2. Chosen Genetics
- Disadvantages
 1. Cost
 2. Time Spent

BUYING BRED HEIFERS

- Advantages
 1. Cost
 2. Time Saved
- Disadvantages
 1. Unknown Handler
 2. Unknown Genetics

RECOMMENDATIONS

- For Each Individual Producer
 1. Sit Down and Figure Out What is More Important to You, Genetics or Cost?
 2. Look at Market Outlooks and Trends Certain Years it will be better to Retain Heifers and Others it Will Be Better to Buy Them.
 3. Look at resources available. Pasture, Feed, and Bulls

CONCLUSION

- Producers are Faced With Many Difficult Decisions Every Year Especially With Heifer Replacement
- Typical Rocky – Mountain Cattle Producer
- Trends of Late Cheaper to Buy Bred Heifers but Each has Individual Advantages, Disadvantages
- Depends Upon The Producer for Which Method is Best

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THE END

Any Questions ?

