Introduction

- Background
- Focus
- Assumptions
- Data
- Methods
- Results
- Conclusions and recommendations
Differences in the market environment
High input prices
Maximizing returns of cattle
The Focus of the Research

- Evaluation of selling calves in the fall as compared to retaining calves through the winter and the following summer to long yearlings.
- Which strategy earns the highest net returns?
- Sensitivity analysis of hay being produced and purchased and their effect on the net returns from the cattle.
Assumptions

- Research was conducted within Albany County, Wyoming
- 300 head of steers to market every year
- Cost of land, taxes, and replacement stock are constantly equivalent in both strategies
- Time period 1996-2006
- Enough forage was available for the additional summer for the yearling steers
Weaning weight of steer calves was 500lbs. And yearling steers were sold weighing 850 lbs.

Daily feeding ration of 15 lbs. of hay, 2 lbs. of cake, and 3 oz. mineral per animal.
Cattle prices were representative of eastern Wyoming and western Nebraska.

Cost of calf production and feed prices came from the records of Albany County producers.

Calf production cost are representative of the cost to produce one calf and include all cost in its production.
## FEED PRICES

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<tbody>
<tr>
<td>cost of hay produced $/ton</td>
<td>36</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>39</td>
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<td>cost of hay bought $/ton</td>
<td>76.5</td>
<td>85</td>
<td>76</td>
<td>65</td>
<td>84.5</td>
<td>109</td>
<td>110</td>
<td>79</td>
<td>73.5</td>
<td>74.5</td>
<td>101</td>
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<td>cost of cake $/ton</td>
<td>164</td>
<td>168</td>
<td>168</td>
<td>168</td>
<td>174.4</td>
<td>176</td>
<td>185.6</td>
<td>192</td>
<td>216</td>
<td>224</td>
<td>228.8</td>
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<td>cost mineral $/ton</td>
<td>430</td>
<td>440.17</td>
<td>447.02</td>
<td>456.9</td>
<td>472.26</td>
<td>485.7</td>
<td>493.37</td>
<td>504.62</td>
<td>518.05</td>
<td>535.61</td>
<td>552.88</td>
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<td>hay feeding cost $/ton</td>
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## CATTLE PRICES

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<tbody>
<tr>
<td>cost of calf production/calf</td>
<td>398.2</td>
<td>405.9</td>
<td>411.4</td>
<td>418</td>
<td>420.2</td>
<td>425.7</td>
<td>429</td>
<td>432.3</td>
<td>436.7</td>
<td>440</td>
<td>447.7</td>
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<tr>
<td>price received on calves $/cwt</td>
<td>66.88</td>
<td>95.42</td>
<td>84.46</td>
<td>102.34</td>
<td>110.48</td>
<td>109.29</td>
<td>95.94</td>
<td>122.75</td>
<td>140.65</td>
<td>140.06</td>
<td>138.59</td>
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<tr>
<td>price received on yearlings $/cwt</td>
<td>62.31</td>
<td>73.5</td>
<td>67.27</td>
<td>77.15</td>
<td>83.26</td>
<td>83.56</td>
<td>78.58</td>
<td>102.14</td>
<td>107.97</td>
<td>87.75</td>
<td>86.08</td>
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</table>
The total amounts and costs of all the feed required for the yearlings were determined for the entire herd. The revenues from the cattle were determined as well. The two figures were compared to show a net return or loss. This was done for every year in the time period for both classes of cattle.
### Schematic of Method

<table>
<thead>
<tr>
<th>Revenue from calves</th>
<th>Revenue from Yearling steers</th>
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<tr>
<td>Less cost of calf production</td>
<td>Less cost of hay</td>
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<tr>
<td></td>
<td>Less cost of cake</td>
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<td></td>
<td>Less cost of mineral</td>
</tr>
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<td></td>
<td>Less feeding cost</td>
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<tr>
<td>Equals net return from calves</td>
<td>Equal net return from yearling steers</td>
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</table>
Sensitivity Analysis

- Evaluated the effect on the net returns of producing your own hay and purchasing hay
- Calculated the cost of hay when all of it was produced, all of it was purchased, and half of each.
- The cost of hay for each level was applied to the analysis of the yearlings to evaluate its effect on the net return
Year to Year Net Returns

- Adjusted net return on yearling steers hay purchased
- Adjusted net return on steer calves
- Adjusted net return on yearling steers hay produced
- Adjusted net return on yearling steers hay 50/50
Total Net Returns from 1996-2006

- Total net return from 1996-2006 on steer calves
- Total net return from 1996-2006 on yearling steers hay produced
- Total net return from 1996-2006 on Yearling steers hay bought
- Total net return from 1996-2006 on yearling steers hay 50/50
Conclusions and Recommendations Cont.

- Yearlings steers with all of their hay produced proved to be the best strategy in the time period.
- If less than half the hay required is produced then selling calves is the best alternative.
- If half the hay was produced then it becomes a management decision between selling calves and yearlings.
Questions