Managing both cattle and forage profitably is a dual career
If you look at a cattleman’s financial records, the biggest factor affecting the bottom line is his ability to produce and utilize forage. More than 60 percent of a cattle producer’s operating costs can be attributed to feed.

Per pound of dry matter, pasture is one-quarter to one-half the cost of concentrates and about one-half to three-quarters the cost of hay. Basically, cattle can harvest forage cheaper than you can bale it. Stockpiling late summer fescue growth for fall grazing can reduce your need to bale or purchase hay.

What is the most efficient approach to increase pasture production and utilization? Start with a soil test, then apply lime if needed. If you don’t have a good stand of legumes, nitrogen can be added. Split applications 60/40 between spring and fall. Apply phosphorus and potash as recommended by the results of the soil test. Rotational grazing will provide better manure distribution by keeping nutrients from overly concentrating in water and shade areas. This management practice will also increase utilization rates. If you increase forage utilization from 30 percent to 60 percent, you will need half the acreage or pasture.

Weeds and brush cut forage production but don’t be too quick to assume herbicide is the best preventive. Herbicides may be necessary for some growth like blackberries and thistles. But a thick stand of healthy grass will crowd out a variety of weeds. To achieve a good stand of grass, evaluate your soil fertility and grazing management practices. If drought and over-grazing have thinned your stand, frost seeding of some legumes may be necessary.

Nutritional needs of cattle vary
Producers who practice proper hay feeding and organize cattle based on their nutritional requirements will improve efficient use of feedstuffs.

First-calf cows have higher nutritional requirements than mature cows so these two groups should not be fed together. By feeding them separately, you can adjust the ration to meet each group’s requirements, which will make more efficient use of available feedstuffs.

To reduce hay wastage, use a hay ring with a bottom skirt. If large round bales of hay are fed daily, use of a ring feeder with a skirt will reduce hay wastage from 12 percent to 5 percent on average.

To meet your cows’ feeding requirements, test hay to determine its nutritional value.

Strategies to reduce cattle feed intake
The reduced level of precipitation in the past year has left limited feeding resources for cattle. Managing those resources as efficiently as possible is critical to the bottom line.

Two management strategies that might be used to reduce cow intake and improve body condition score of lactating cows are early weaning and creep feeding. Early weaning will reduce forage intake by 0.4 pounds to 0.7 pounds per hundredweight of cow body weight.

Creep feeding helps calves get acclimated to eating from a feed bunk and improves cow energy status. Improving cow energy status will increase the likelihood of pregnancy during the breeding season.

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A typical enterprise budget is a financial management tool for operators that includes five main sections.

The first section of an enterprise budget usually includes a summary of the projected total revenue from the enterprise. This revenue, or income, section of a budget must contain a description of the expected yield or amount of product produced—such as bushels or pounds. This section must also specify a projected market price. Total revenue is calculated by multiplying total production by the market price.

The second section of the budget typically outlines the expected variable costs of production. Variable costs are those that do not change with the level of production. These fixed costs include items like interest (on intermediate and long-term loans), depreciation, taxes and insurance.

The fourth section of an enterprise budget describes the total cost of production. The projected total cost of production is the sum of variable and fixed costs.

The final section included in an enterprise budget is a returns or profit section. This part of the budget compares the revenue of the enterprise to its costs. Often, this section of the enterprise budget will be segmented to describe both returns over variable costs and returns over the total costs.

Numerous examples of agricultural enterprise budgets are available on the internet. Many of the sample budgets contain suggested costs and return figures. Be cautious about using these figures without first doing your own cost and market research.

Consumer demand for locally grown fresh fruits and vegetables has been steadily increasing for years. This is best illustrated by simply looking at the number of farmers markets in the region. Producers continue to report sufficient direct-to-consumer marketing outlets, and there is likely room for more growth.

Don't overlook the market for wholesale and institutional buyers. These larger-scale buyers are also increasingly interested in purchasing locally produced foods. However, the producer needs to take a different approach to growing and marketing to satisfy the demands of these buyers.

To attract wholesale buyers, producers need to deliver relatively higher quantities of produce than that needed for most direct-to-consumer outlets. This may mean producers need to dedicate additional acreage to fruit/vegetable production.

Most wholesale-scale fruit/vegetable farms are larger than market farms. However, because wholesale producers typically grow fewer total crops than market farmers, similar acreage may be used for either production system.

Regardless of the scale of production, additional planning will be necessary to ensure that market demands are met throughout the season. When speaking with buyers, producers need to be certain of their overall volume capacity. Determining this will be easier for a market farmer who is transitioning into wholesale production, but not impossible for new farmers to ascertain.

Invoicing, unnecessary for most direct-to-consumer farm operations, is a must for wholesale producers. Farmers who participate at any level of wholesale production should have easy-to-understand invoicing systems in place. Invoices for the farm should have a professional look and be professionally presented.

All fresh fruit and vegetable producers should take food safety seriously. By moving into a wholesale market for these products, food safety certification for your farm may be required by the buyer.

Resources are available to assist farmers in the development of auditable food safety plans. Winter is the best time to begin this work.
A budget is the first gauge of profitability

An accurate enterprise budget doubles as the foundation of the farm operation’s marketing plan.

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Set post-harvest handling standards

Post-harvest handling of fresh fruits and vegetables is different for wholesale customer production systems. Beyond the ability to produce a marketable crop, this may be the most important area of the production chain for the farmer.

Proper handling, grading and packing procedures are essential to maintain relationships with wholesale buyers. Product consistency is only achieved when great care is taken by the grower to properly cool, grade and pack products, all within a few hours of harvest.

Packaging standards exist, but should be discussed with wholesale buyers to ensure expectations are being met.
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Creep feeding helps calves get acclimated to eating from a feed bunk and improves cow energy status. Improving cow energy status will increase the likelihood of pregnancy during the breeding season.

First-calf cows have higher nutritional requirements than mature cows. Limiting access time to hay to 3.5 hours per day for dry, mature cows and 3-year-old cows. Hay intake was reduced by 0.3 pounds per hundredweight of cow body weight.

A local feed service should be consulted to make sure the product and dosage fit the cattle operation. The strategies thus far have been tailored mostly to lactating cows. Limiting access time to hay may be a way to reduce wastage on dry cows.

During a 50-day test, Purdue researchers limited access time to eight hours per day for dry, mature cows and 3-year-old cows. Hay intake was reduced by approximately 5 pounds and weight gain increased by approximately 1 body condition score.

Strategies to reduce cattle feed intake

The only ionophore approved for use in mature cows. Rumensin has been shown to reduce intake by 5 percent to 10 percent and improve efficiency in mature cows.

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