

ASK THE AG TEAM, for the week of March 30, 2008

Significant variation in cow-calf returns –by *Amie Schleicher, Livestock Specialist, University of Missouri Extension, Atchison County*

Cattle-Fax® data compiled during the period from 1986 to 2006 revealed there is considerable variation in cow-calf producer returns. The top 1/3 of producers generated an average return of \$89.19 per head on a cash cost basis. The lower 1/3 of producers showed a loss of \$29.56 per head. The middle 1/3 of producers was essentially in a breakeven business, generating a small per-head profit. It was noted that an important difference between profitable and unprofitable producers was lower costs on the part of profitable producers (Source: Cattle-Fax® Update).

(Article from Rick Rasby, Professor of Animal Science, University of Nebraska, 2007.)

Expected progeny differences compared to realized progeny –by *Amie Schleicher, Livestock Specialist, University of Missouri Extension, Atchison County*

Expected progeny differences, or EPDs, are a common tool in bull selection these days. But do they work? Researchers from Kentucky and Florida summarized previous work where expected progeny differences were compared to actual progeny differences for various traits in beef cattle. The breeds they summarized data for were Angus, Brangus, Charolais, Limousin, Polled Hereford, and Simmental. Traits included birth weight, weaning weight, yearling weight, marbling, carcass weight, fat thickness, loin eye area, percent lean yield, milk, maternal traits, and scrotal circumference.

They found that actual progeny differences were similar to EPDs for birth weight and weaning weight, but for yearling weight the realized performance was greater than expected through EPDs, especially if yearling weight was the main criteria used to select a sire. Sires with high EPDs sired progeny with higher marbling scores and greater carcass weights, fat thickness, loin eye area, and percent lean yield, when compared to sires with low EPDs for marbling, carcass weight, loin eye area, and percent lean yield.

Sires with high EPDs for milk and maternal traits sired daughters that produced more milk and weaned heavier calves than sires with low EPDs. Sires with high EPDs for scrotal circumference had daughters that reached puberty earlier. The authors also noted that when high EPD accuracy sires are used, there is greater similarity between expected and realized progeny differences. When small numbers of low-accuracy EPD sires are used, expected results may not be realized.

(From F.A. Thrift and T.A. Thrift, *Professional Animal Scientist*, 22:413, 2006.)

Costs and returns for U.S. cow-calf producers in 2006 –by *Amie Schleicher, Livestock Specialist, University of Missouri Extension, Atchison County*

Cattle-Fax® recently published its annual Cow-Calf and Stocker Survey, which was conducted in January 2007. Following is a brief summary.

- Average cow-calf profit was down slightly in 2006 from the peak in 2005. However, it was the eighth year in a row in which the majority of the respondents were profitable. Profit on calves sold at weaning was \$100 or more for 51% of producers, \$25 to \$100 for 35% of producers, and \$25 or less for 14% of producers.
- Annual average cash cost to run a cow increased by \$15/head, from \$351 in 2005 to \$366 in 2006.
- Feed costs accounted for approximately 62% of total cash costs at \$226/cow.
- Operating costs which include labor, vet/medicine, interest expense (excluding land), and other supplies were \$1/head lower than in 2005 at \$136/head.
- An operation with an average cow cost of \$366/head and a weaning percentage of 85% equates to a breakeven calf price of \$78/cwt.
- Average steer weaning weight was 563 lbs, which was 17 lbs lower than in 2005, largely due to dry conditions and short forage supplies throughout a large portion of the U.S.

(Article from Dr. Rick Rasby, Professor of Animal Science, University of Nebraska, 2007.)