

Starting a beef cattle enterprise

Joe Sellers

ISU Extension Beef Specialist

What are your objectives?

- Add an enterprise?
 - Another product for your customers
 - Diversify
- Use an underutilized resource?
 - Pasture or unused acres
 - Crop residues and cover crops
 - Rehab old facilities
- Build a business?
 - Starting from scratch is not easy
 - Need a business plan
- Create a hobby and family project?



10/23/2007

What are some options?

- Buy calves and grow them?
 - Less initial investment
 - Can sell at different stages
 - May not be a year long commitment
 - Large market (margin) risk
- Cow herd and calf production?
 - Start small and build?
 - Purchase or raise replacements?
 - Need care and feed year round
 - Capital investment

What are the management options?

- Cattle do very well on many types of feed and management
- Extended grazing or more feeding?
- Grass fed or more conventional?
- Fit the management to cattle needs and your resources

Cow-calf production

- Make sure you have the basics
 - Need some facilities to work cattle and be safe
 - Need to keep feed waste under control
 - Need to keep fixed costs to a minimum
 - Use sound animal husbandry
 - Look at alternatives and cash flow

Facilities

- Do not need fancy but do need strong and safe
- Can look at multiple uses
- Can start small and add as you go
- Low stress handling
- May be smart to do some work at the vet clinic

Dry Hay Feeding Wastage

	Ring	Cone	Cradle	Trailer
Waste, %	6.1	3.5	14.6	11.4

Adapted from Buskirk, et al., 2003. J. Anim. Sci. 81:109

- Hay stored inside
- Ratio of hay to feeder diameter small; requiring cows to reach further

Free choice, no feeder - 43% wasted

University of Missouri

Cost of Wasted Hay (150 d)

	Base	+5%	+10%	+15%	+20%	+40%
Bales/cow ^a	6.6	6.93	7.26	7.59	7.92	9.24
Bales/30 cows ^a	198	208	218	228	238	277
Cost/cow ^b	\$317	333	349	365	380	444
Cost/30 cows ^b	\$9510	9990	10470	10950	11400	13320

^a Assumes 1200 lb bales, 85% DM

^b Assumes \$80/t hay (as-fed)

Watch fixed costs

- Add equipment and facilities wisely
- Purchase breeding stock that are productive
- Bulls are hard to pay for with less than 20 cows
- Cull older and non-productive cows, market them well

Focus on the right investments

- “I’ve learned that there are three kinds of [costs](#). There are unnecessary costs, which should be cut mercilessly; and borderline costs, which require good management skills to determine what their effects are on your operation. And then there are necessary costs, which can’t be cut as doing so would play into your profit. It seems like I’ve cut a lot of the latter in my time”

– *Troy Marshall, Beef Magazine*

Sound animal husbandry

- Common sense, input from trusted advisors, filter lots of information
 - There are snake oil salesmen to avoid
 - More “fake news” here than in politics
 - If someone denigrates a proven practice, question why
- Use the technologies that work
 - Cow condition scoring
 - Beef cattle nutrition using modern recommendations
 - Effective animal health programs
 - Beef cattle selection using genetic prediction
 - Select cattle that fit your system, but do it wisely
 - “Survival of the fittest” is not a selection method

Feed the cows what they need



Use the right ranch management tools

- Management intensive grazing
- Web soil survey, evaluate your soil resources
- Use soil tests
- Test forages and build a good supplementation program

Need to get the calf to a good start

- Needs to get up and nurse
- Usually can just let mom do her work!



What system do you choose?

- Grass fed
- Pasture reared
- Conventional management, grazing and feeding stored feeds
- Combinations

What is your marketing plan?

- Raise until harvest
 - High quality premiums
 - Supply chains
 - Local markets
- Produce feeder calves
 - Lots of good market outlets
 - Can seek value differentiation
- Sell direct to consumers
 - Brand your own beliefs
 - Market all the product
 - Have other outlets as “Plan B”

What is your financial plan?

- Really do some in-depth budgeting
 - Look at varying levels of risk
 - Long term and short term analysis
- How much equity do you want to invest?
- How long will it take to pay back?
- How fast do you want to grow?

Take advantage of the free farm financial planning program

Farm Financial Planning Program

Farm Financial Planning is Iowa State University Extension's farm financial analysis program. It consists of one-on-one financial counseling, a computerized analysis of the farm business, and referral to other extension programs or outside services that may be useful.

Associate Contact Information

Who is it for?

Farm Financial Planning is for anyone who wants to understand a complete picture of their farm financial situation. It helps take the guesswork out of whether or not a change would increase profitability and improve cash flow. A FINPACK analysis may provide a more in-depth evaluation of the farm business, which many lenders are requiring before they will extend further credit.

What does it do?

Farm Financial Planning helps you evaluate your farm business and determine whether or not a change is desirable. It provides an in-depth plan for the farm business so the operator and the lender can make decisions for the future. Farm Financial Planning helps answer three basic questions of sound business management.

- Where am I today?
- Where do I want to be in the future?
- How do I get there?

The computer analysis looks at profitability, liquidity, solvency, and risk-bearing ability. This information is provided for three or more alternative plans at a time. Examples of alternative plans could be the addition, expansion, or phasing out of a livestock operation, or buying, selling, or renting land. Farm Financial Planning can help evaluate ways to correct negative cash flow and profitability problems.

A trained extension associate meets with the family to discuss the results of the analysis and the possible effects if changes are made. The extension worker may introduce other farm and family financial materials or information about outside sources of help.

How much does it cost?

This service is offered at no charge. It is funded by the Agricultural Credit School, a program of Iowa State University Extension and Outreach and the Iowa Bankers Association. Who performs the analysis? The Farm Financial Management associates are part-time extension employees with college degrees and special training in farm budgeting and financial analysis. They have farm backgrounds so they understand the current farm situation.

Is it confidential?

Yes. Only you and the associate will know the results of the analysis. Information will not be shared with other people without your permission.

How long does it take?

The first meeting with the associate to provide information from your records usually takes one to two hours. The second meeting may take anywhere from one to three hours. The time required is dependent upon the size and complexity of the operation.

How do I make an appointment?

To set up an appointment, contact the **associate** in your area. For more information, contact your ISU Extension farm management field specialist.

Related Content or Links

- [Farm and Agribusiness Management Specialists](#)
- [Ag Decision Maker](#)
- [Ag Management e-School \(AMES\)](#)
- [Iowa Concern](#)
- [Beginning Farmer Center](#)
- [Ag Marketing Resource Center](#)
- [Value Added Ag](#)
- [Leopold Center for Agriculture](#)

Contact Information

Program questions: Jay Harmon, jharmon@iastate.edu

Website questions: Ann Johannis, ajohiste@iastate.edu

Cow-calf production in the Midwest

- Losing pasture and hay acres
- Cow numbers maintained
 - Missouri and Nebraska hovering around 2 million
 - Iowa just under 1 million beef cows
- Lower feed prices and readily available
- There are great opportunities in Iowa

Look at some education opportunities

Cow calf shortcourse

Iowa Beef Center Cow-Calf Short Course

February 6 – 7, 2018

Registration - **\$100**

Registration deadline is midnight, January 30, 2018. Space is limited and pre-registration is required.

Hansen Agricultural Student Learning Center
2508 Mortensen Road, Ames, Iowa 50011 |
[Google map](#)


Topics and agenda

- body condition scoring
- ration balancing formulation
- proper semen handling demonstration
- antibiotic usage in cowherd
- troubleshooting dystocia issues
- planning for calf size
- newborn calf processing
- calf health and management
- exploring alternatives in the cowherd
- record keeping
- BQA certification


[Printable class agenda](#)

Instructors

- [Taylor Grussing](#), SDSU Cow-Calf Extension Field Specialist
- [David Bruene](#), ISU Beef Teaching Farm Manager
- [Dr. Chris Clark](#), ISU Beef Extension Field Specialist
- [Joe Sellers](#), ISU Beef Extension Field Specialist
- [Dr. Tyler Dohman](#), ISU Professor of Vet Diagnostic & Production Animal Science
- [Marshall Ruble](#), ISU Hansen Center director and former Beef Teaching Farm Manager
- [Dr. Grant Dewell](#), beef veterinarian, Iowa State University Extension and Outreach
- [Erika Lundy](#), extension beef program specialist, Iowa Beef Center



Registration

Register online


Print a registration form.
Register by mail

Registrations are not accepted by phone. Please use the link above to register using a credit card or mail a completed registration form with check payment.

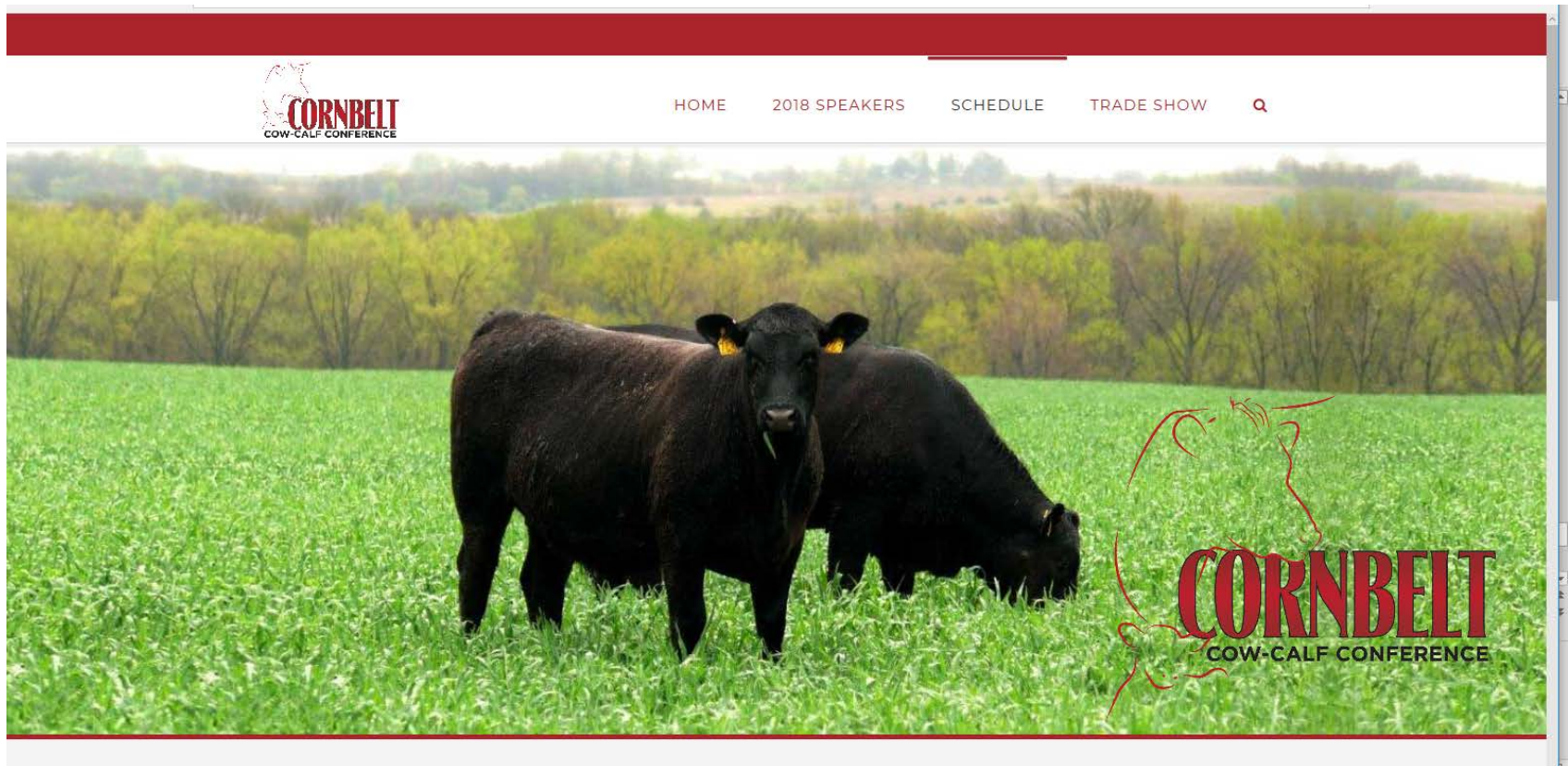
Cost:
\$100
Registration includes course notebook, handouts, and meals listed on the course program.

Deadlines:
Registrations must be received by midnight, January 30, 2018. Pre-registration is required to attend this course.

Cancellation:
Cancellations requesting a refund must be received prior to midnight, January 30, 2018. To cancel your registration please call (515) 294-6429 or email anr@iastate.edu. A refund will be issued within 7 days.

Look at some education opportunities

Cornbelt Cow Calf Conference



Look at some education opportunities

Driftless Region Beef Conference

The screenshot shows the Iowa State University Extension and Outreach website. The header is red with the university's name and a search bar. Below the header is a navigation bar with links to Home, Calendar, News, and Program Services. The main content area features a large banner for the Driftless Region Beef Conference, which includes the dates January 25 and 26, 2018, and the location Dubuque, Iowa. The banner also mentions the Grand River Conference Center and Grand Harbor Resort. To the right of the banner is a map of the Driftless Region. Below the banner is a sidebar with links to Conference home, Program, Directions and lodging, Registration, and Conference sponsorship. The main text area contains a paragraph about the conference's purpose and a list of activities for attendees. A registration status box at the bottom indicates that registration for the 2018 conference is now open.

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Home Calendar News Program Services

Driftless Region
Beef Conference
January 25 and 26, 2018 | Dubuque, Iowa
Grand River Conference Center and Grand Harbor Resort

Conference home
Program
Directions and lodging
Registration
Conference sponsorship

Providing research-based beef production information to beef producers in the Driftless Region of Illinois, Iowa, Minnesota and Wisconsin.

On January 25 and 26, 2018, Extension specialists in Illinois, Iowa, Minnesota and Wisconsin are again cooperating to present the 6th annual Driftless Region Beef Conference at the Grand River Convention Center in Dubuque, Iowa.

Each year this conference brings together beef producers for an educational program that focuses on the needs of this production region. Last year over 20 sponsors provided displays and were available to discuss the services they provide.

- Attend breakout sessions and select from a menu of different workshops to find topics for your operation.
- Visit sponsor exhibits and learn about the products and services they offer.
- Visit with fellow beef producers from the region.

Registration for the 2018 conference is now [open](#).

Look at some education opportunities

Grazing education



Sharpen your grazing management skills

Greenhorn Grazing

An introduction to management and rotational grazing practices for producers who want to optimize forage and livestock production, control production costs, and conserve natural resources.

Location: Madison County Extension Office, 117 N. John Wayne Dr., Winterset, 4:00 p.m.-9:00 p.m.
Fee: \$50. Dinner, as well as a pasture walk at a local farm, are included in each session.
Sessions led by Iowa State University Extension and Outreach specialists and industry partners.

Program Agenda

June 6, 2017
Managing grass growth, plant diversity – Joe Sellers, beef specialist
Iowa fence law – Kristine Tidgren, assistant director, Center for Agricultural Law and Taxation
Species selection for pasture renovation, seeding methods – Aaron Saeugling, field agronomist

June 27, 2017
Looking at the soils on your farm – Kapil Arora, agricultural engineer
Weed and brush management – Scott Flynn, Dow AgroSciences
Managing pastures for livestock forage and wildlife habitat – Adam Janke, assistant professor and wildlife specialist

August 1, 2017
Watering alternatives for grazing systems – Kapil Arora, agricultural engineer
Management to optimize fall saved stockpiled grass, mineral supplementation – Dan Morrical, professor and extension sheep specialist
Managing fescue – Joe Sellers, beef specialist
Fall seeded cover crops for pasture and forage – Erika Lundy, program specialist, Iowa Beef Center

September 26, 2017
Electric fencing systems, equipment and grazing management – Gordon Shelangowki, Premier 1 Supplies
Cost share programs and technical assistance – Jeff Mathias, NRCS state grasslands specialist
ICA Stewards of the Land project – Linda Shumate, ICA grazing advisor
Evaluating forage quality, sheep nutrition – Dan Morrical, professor and sheep specialist

November 14, 2017
Optimizing winter grazing of crop residue and stockpiled grass – Joe Sellers, beef specialist
Fertility recommendations for existing and new pastures – Aaron Saeugling, field agronomist
Winter beef cow nutrition – Joe Sellers, beef specialist
What are your next steps in your grazing plan? – General discussion

Questions?