

Western Beef Development Centre

DIVISION
OF PAMI

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Western Beef Goes Electronic

In today's online world it was only a matter of time before Western Beef got on board.

Since its inception Western Beef has communicated with ranchers, industry and academics through letter mailings of its Fact Sheets a couple times a year as well as speaking presentations and field days.

Starting in 2010 Western Beef is adding electronic newsletters to its communication efforts. Hard copy mailings of the Fact Sheets will still be available to those who do not have internet access, but our hope is to have

the majority of our mailing list receiving electronic updates.

The e-newsletter will be available on a quarterly basis. Each issue will share research results from research conducted at the Termuende Research Ranch.

We will also include details about upcoming WBDC events and the events of our industry partners.

We hope you enjoy our e-newsletter and we welcome your feedback!

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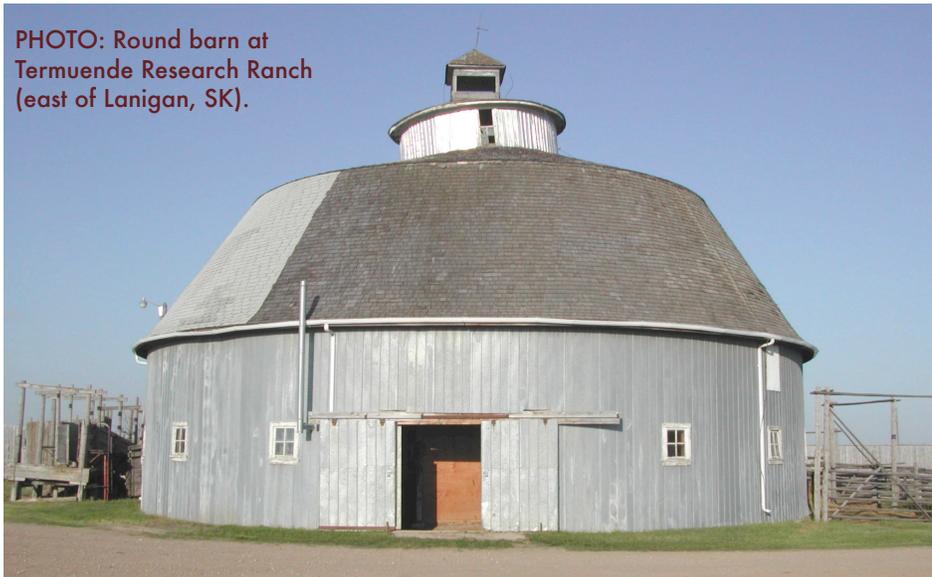


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PHOTO: Round barn at Termuende Research Ranch (east of Lanigan, SK).



About Western Beef

Western Beef Development Centre (WBDC) has been around for 14 years, and for the last 6 years it has been a division of PAMI (Prairie Agriculture Machinery Institute) whose head office is in Humboldt, SK.

In addition to the office in Humboldt WBDC leases the Termuende Research Ranch (Lanigan, SK) from the University of Saskatchewan.

The ranch has a 2000 acre land base consisting of perennial forages, annual crops and pasture. WBDC conducts applied cow-calf and forage research on the land using its 300-cow purebred Black Angus herd.

To some it may seem odd that we have purebred cows when our focus is the commercial cow-calf producer, but having purebreds opens the doors to new research opportunities in the areas of genetic testing and applied genomics.

The ranch is 6 miles east of Lanigan and its next door neighbour is the 28,500 head capacity feedlot - Poundmaker.

Supplementing with Dried Distillers Grains (DDGS)

Cattle producers are an innovative bunch, always looking for ways to maximize production and minimize costs. And with feed being the largest cost (52% of total costs ([Lang 2005](#)) for the cowherd, ranchers are continuously

looking for ways to avoid costly pen feeding in the fall and winter months.

WBDC has conducted research on field feeding cows - bale grazing, swath grazing, straw/chaff grazing - and found the savings to be as much as 40% compared to pen (or drylot) feeding ([Kelln 2010](#)). When cows are fed in a field system the forage quality can be lower which means the cows must be supplemented to meet nutritive requirements. Barley or range pellets is a typical supplement to meet energy and protein requirements.

In Winter 2007-08, WBDC graduate student, Amanda Van de Kerckhove, evaluated DDGS (dried distillers grain with solubles) - a co-product from wheat ethanol production - as a supplement for cows grazing crop residues. The cows supplemented with DDGS gained more weight than cows supplemented with rolled barley which is likely due to the higher nutrient density of DDGS.

As for cost, DDGS supplement can be cheaper than barley so not only can a rancher lower his/her costs by keeping cows out of the pens for part of their winter feeding, he/she can save by supplementing with DDGS. The cost for cows supplemented with DDGS was \$2.63/cow/day versus \$2.71/cow/day for cows supplemented with rolled barley.

[Read the Fact Sheet on DDGS for cows](#)

Note: Prices (as of June 1) for wheat DDGS ranged from \$116/tonne to \$142/tonne depending on which plant you source from; barley is \$150/tonne.

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Cost of Production - Review

by Kathy Larson, WBDC Economist

The last time WBDC calculated cost of production benchmarks was 2005. Currently benchmark numbers for the 2008 calf crop are being calculated thanks to ranchers participating in six workshops held across the province from November 2009 to March 2010.

For 2008 COP numbers WBDC is using [AgMpower](#) software and is working with producers to have them enter their own data into the program. This is stepping away from normal procedure. In the past, the WBDC Economist (Highmoor, Monchuk, Lang) would travel to ranches and sit at the kitchen table mulling over expenses, pasture dates, feed records, and calf sales and enter the data into CowProfit\$ to generate a \$/cow and \$/lb break-even price for the ranch.

For a variety of reasons the decision was made to test-drive a new program and new way of entering the data - ranchers entering their own data. A major perk of AgMpower is that it can be accessed from any computer with an internet connection using an issued username and password, much like how you can check your email or facebook accounts from any computer.

With 2008 numbers still not ready for sharing I thought it would be useful to discuss the 2001-2005 numbers and offer some explanation on key numbers and details required to calculate cost of production for your own cow-calf operation.

2001-2005 COP Benchmarks

Table 1 highlights the 2001-2005 Total Costs and Margin in \$/cow. Money was made in 3 out of 5 years - [2001](#), [2004](#) and [2005](#). The break-even price on a 550 lb calf during those five years ranged from \$1.18/lb to \$1/lb. Please note, that for ease of calculation I assumed a 100% birth and weaning percentage - which is almost never the case. When does every cow exposed, calve and wean a calf for you to market? In 2005, COP participants had a 93% weaning percentage. With a

Table 1. 2001-2005 WBDC Cow-Calf Cost of Production Benchmark Results.

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|----------------------|--------|--------|--------|--------|--------|
| Total Costs \$/cow | \$584 | \$650 | \$601 | \$553 | \$582 |
| Margin \$/cow | \$144 | -\$68 | -\$61 | \$3.66 | \$142 |
| Break-even on 550 lb | \$1.06 | \$1.18 | \$1.09 | \$1 | \$1.06 |

Source: [WBDC Cost of Production Fact Sheets, various years.](#)

Table 2. Average price for 5-600 lb steers in Saskatchewan, October 2006-09.

| | 2006 | 2007 | 2008 | 2009 |
|----------------------|--------|--------|--------|--------|
| Avg. \$/lb for 5-600 | \$1.22 | \$1.03 | \$1.02 | \$1.04 |

Source: [SK Ministry of Agriculture, Cattle Market Update](#)

93% weaning percentage, the 550 lb. break-even prices would increase 7% to \$1.26/lb to \$1.07/lb.

How have the prices fared over the last four years on 550 lb steers in Saskatchewan? Table 2 contains the average \$/lb received for 5-600 lb steers in the month of October for the last four years. Only in 2006 did October steer prices average above \$1.07/lb.

I'm preaching to the choir when I say recent years have been hard times in the cattle industry. Yet despite these depressed prices there are cattle ranchers who have made money. They have managed their herd and minimized their costs. Extending the grazing season and reducing the number of pen feeding days is a key way to minimize costs.

Before you can begin to find ways to manage your own herd and minimize your costs you need to know where you stand. There is some math and record keeping required to calculate your cost of production and evaluate your cows' performance.

If you are interested in calculating your cost of production, WBDC is here to help. Contact [Kathy Larson](#) today to see how you can begin. Producers can still participate in the 2008 COP Study.

10 Details Required to Calculate Your Cost of Production

1. # of Cows exposed & open
2. # of Calves born & weaned or retained (backgrounded)
3. Weaning weight & date
4. Sales receipts for calves
5. Grazing - # of days - pasture, swath grazing, crop residue
6. Winter Feed - # of days - # bales fed, silage, # bedding bales, grain/supplement
7. Herd expenses - minerals, vaccines, supplies, vet
8. Overhead expenses - fuel, repairs, loans, insurance, hired labour, etc.
9. Equipment & Land - values on your assets & approximate use by each "enterprise" (grain, livestock, forage)
10. Land base - # acres of crop, hay, pasture & production

Upcoming Events

If you would like to have your event featured in our newsletter, email info.wbdc@pami.ca with details.

june

13-15

Saskatchewan Stock Growers Association - Annual Meeting
Moose Jaw, SK
[Agenda](#)

16-17

Saskatchewan Pasture School
hosted by SK Forage Council
Saskatoon, SK
[Agenda](#)

22

Western Beef Field Day
Termuende Research Farm
Lanigan, SK
[Agenda](#)

june

23-24

"Ranching from the Ground Up" Workshop & Tour
Swift Current, SK
[Registration Form](#)

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2010 Forage and Grazing Research Tour
Swift Current, SK
[Email contact](#)

july/august

july 9-18

Calgary Stampede
[Website](#)

july 27-29

University of Saskatchewan
Feedlot Management School
Saskatoon, SK
[Email contact](#)

august 11

International Livestock Congress
Calgary, AB
[Website](#)

ADOPT Projects @ WBDC

In addition to replicated academic research WBDC conducts demonstration projects and shares the results at its annual summer and winter field days. Funding from the Saskatchewan Ministry of Agriculture under the ADOPT (Agricultural Demonstration of Practices and Technologies) is supporting demonstration projects carried out at Termuende in 2010.

Over the last year, WBDC has received ADOPT funding for six demonstration projects. Three of the funded projects are looking at pasture rejuvenation techniques. The 2010 Field Day on June 22 will make field tour stops to show the effects of sod-seeding using the AgroPlow Drill and AgroPlow Rootbed Renovator (subsoiler) on pasture rejuvenation.

Another of the projects involves the creation of short videos summarizing research results. Those unable to attend field days or those who want to learn more ways to improve the efficiency and productivity

of their cow-calf and backgrounding operations can learn about WBDC research.

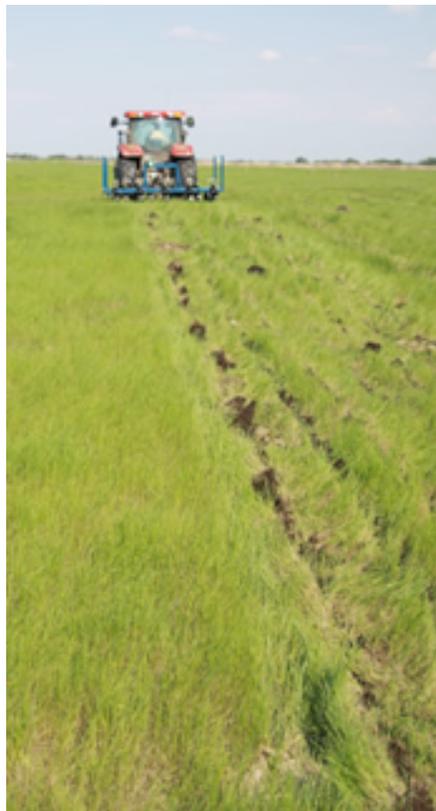


Photo: Rootbed Renovator in action at 2010 WBDC Field Day on June 22.

WBDC Strategic Advisory Committee

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Rick Gaube (Agriculture & Agri-Food Canada)

Dr. John Popp (Manitoba Agriculture, Food & Rural Initiatives)