



Western Beef Development Centre

WERE THERE ANY PROFITS TO BE EARNED BREEDING HEIFERS IN 2002?

Introduction

Western Canadian cattle producers who background their weaned calves during the winter are typically faced with the same dilemma every spring. Should I: 1) sell my open heifers into the February-March yearling market, or 2) turn some heifers out on grass with a bull for the summer? This study offers producers the opportunity too benchmark their 2002 costs and returns of exposing open yearling heifers to a bull, against a sample of 31 producers from across Saskatchewan.

Value of Production

Section A of Table 1 reports the value of production associated with exposing open yearling heifers to a bull during the breeding season. **Value of production is:**

The value of these heifers after they have been pregnancy checked in the fall of 2002 (**\$1229/head**)
Less: The value of these heifers when “turned out on pasture” in the spring of 2002
(\$826/head)
= \$403/head

These values are all net of trucking and marketing deductions.

Cost of Production

A cost of \$105/heifer exposed or \$0.617/head/day was the average cost of grazing when the grass consumed was valued at supervised grazing rates (Section B – Table 1). The average length of the grazing period for these heifers was 170 days/head. Drought conditions forced some ranchers to provide supplemental grain and/or forage to the heifers before and during the breeding season. The supplemental feed accounted for approximately 15% of the total production costs for this enterprise. The “Bull Expense” category is included to reflect the annual costs of:

- 1) Feeding,
- 2) Grazing,
- 3) Veterinary,
- 4) Business Overhead, and
- 5) Depreciation, associated with the bulls used for breeding.

Returns

Producers in this study who exposed heifers in 2002 realized an average **return to equity** --- *value of production minus cost of production* -- of **\$161.66/heifer exposed**. Only 4 of the 31 producers sampled did not achieve a positive return to equity from this enterprise.

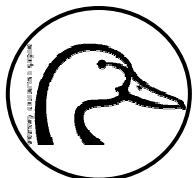
Data from producers in this on-going WBDC cost of production study indicates producers earned more profit/head exposing heifers during the 2002 breeding season as compared to the 2001 season. This is believed to have happened because of:

1. Heifers were assigned a higher value in the fall of 2002 as compared to 2001,
2. A lower value was assigned to the open yearling heifers turned out on grass in the spring of 2002 vs. 2001, and

3. A conception rate of 88% in 2002 vs. 81% in 2001

If you are interested in participating or require further information regarding this study or other WBDC cost of production studies contact Tim Highmoor at (306) 966-2627 or thighmoor@wbdc.sk.ca. This fact sheet and other WBDC cost of production studies can be found online at www.wbdc.sk.ca

Table 1: 2002 Breeding Heifer Costs and Returns	
Number of Producers Sampled	31
Number of Heifers Exposed	43.65
Number of Heifers Conceived	38.35
Conception Rate	87.88%
Days on Pasture	170
Section A - Value of Production	
	\$/Heifer Exposed
Value After Pregnancy Checking in Fall '02 -- Net of Marketing Deductions	1228.99
Value of Heifers When Going on Grass in Spring '02	-826.01
Total Value of Production	402.98
Section B - Production Costs	
Winter Feed & Bedding	36.06
Pasture	105.19
Bull Expense	39.00
Veterinary	8.00
Business Overhead	33.42
Management	19.65
Total Production Costs	241.32
Return to Equity	161.66



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CANADA'S CONSERVATION COMPANY

CMDF
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