



Current Report

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UTILIZING SMALL GRAIN PASTURE WITH FEEDER CALVES 1969-1970

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There are over five million acres of small grains, rye, and vetch grown annually in Oklahoma. The gains from grazing these pastures are usually valuable.

Feeder calves are usually put on small grain pasture in November. In most years small grain to be harvested for grain is not pastured after the first week in March. The present government programs provide some alternatives. The diverted acres can be grazed from October 15 this year until May 1 (this final date has not been determined for 1970). Upon notification to the ASCS office a farmer may graze his allotted wheat out and still qualify for his wheat certificates. With the prospects of wheat prices being about the same in 1970 as the past year more farmers may graze out more of their crop.

There are two common methods of renting small grain pasture.

1. RENT BASED ON GAIN

This works well for the person who owns good producing pasture. If he secures good doing cattle, he will make money. If on the other hand he has poor pasture and/or the feeder calves do not gain, he could furnish a maintenance pasture and gain very little.

2. RENT BASED ON WEIGHT OF ANIMAL

The owner of feeder calves needs to secure a good gain or his chances for profits are decreased. This is more important for heifers than steers.

There are several ways employed to adjust for additional gain of weight put on an animal.

It is usually more convenient to figure the monthly charge from the beginning weight rather than have to weigh the animal at the end of the grazing period. Multiply 400 lbs. X 120 percent to get an average weight for a four month grazing period. If you multiply 400 lbs. X 130 percent this will give an average weight for a six month grazing period.

When feeder calves are put on pasture there needs to be an understanding on which party will stand death loss.

The renting of pasture based on weight of animal and the renting of pasture based on the pounds of gain are the two principal methods being used this year. Apparently more farmers are renting their pastures based on the expected gain.

A gain of 1.3 pounds per day from November 15 to March 10 is good when starting with a 400 pound feeder steer calf. This same calf kept from March 10 until May 1 should make about 1.6 pounds of gain per day after March 10. This same calf should make an average gain of 1.4 pounds daily for the entire period from November to May.

In the fall heifer calves of the same weight and quality can usually be purchased at four to six cents per pound less than steers. These heifers sold in good flesh will usually sell from two to three and one half cents per pound less than comparable steers.

The budgets listed below are estimates for 400 pound feeder calves purchased this November and sold next spring.

These budgets may be used by an individual to fit his particular situation by changing the quantity and/or price of any

item. It is hoped that these budgets might be useful for the individual as an outline guide for making budgets and analyzing his alternatives.

The buying and selling prices used in the budgets are assumed for 1969-1970 and

ESTIMATED COST AND RETURNS FROM ALTERNATIVE
FEEDER CALF OPERATIONS USING SMALL GRAIN PASTURE
BUYING 400 POUND FEEDER STEER OR HEIFER CALVES NOVEMBER 1
AND SELLING MARCH 1 OR MAY 1

Budgets Purchase Date Selling Date	I Steers November 1 March 1			
<u>Sales</u>	<u>Unit</u>	<u>Quantity</u>	<u>Price</u>	<u>Value</u>
Feeder	cwt	5.56	\$32.00	\$177.92
<u>Inputs</u>				
Feeder	cwt	4.0	35.00	140.00
Small grain pasture	aum	1.9		
Hay	ton	.10	20.00	2.00
CSM	cwt	.20	4.00	.80
Mineral	cwt	.06	3.50	.21
Commission & buying expense	head	1.00	1.10	1.10
Trucking home - 60 miles	head	1.00	.80	.80
Veternarian & medicine	head	1.00	1.50	1.50
Taxes	head	1.00	1.10	1.10
Interest 140 x .08 x 1/3 or 1/2 yr.	head	1.00	3.73	3.73
Hauling to market - 60 miles	head	1.00	1.00	1.00
Commission & selling expense*	head	1.00	3.82	3.82
Death loss 2% x \$140.00	head	1.00	2.80	2.80
TOTAL SPECIFIED EXPENSES				<u>\$158.86</u>
Returns to pasture, labor, mgt. and risk				19.06
Break even sales price needed for feeder				28.57

*Includes \$1.00 for stockyard feed

not for normal or typical years. Normally the selling prices of the feeders would be close to their purchase price, especially for the heifers.

Note from Budget I that the net return is \$19.06 per steer for the pasture owner

grazing his cattle. If the pasture owner rented his pasture out for \$19.06 per steer and the cattle owner furnished the feed, labor, and management the pasture owner would earn the same money and avoid risk of a lower selling price, lower gains, or a higher death loss. To make the \$19.06

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II Heifers November 1 March 1			III Steers November 1 May 1			IV Heifers November 1 May 1		
Quantity	Price	Value	Quantity	Price	Value	Quantity	Price	Value
5.44	\$28.50	\$155.04	6.52	\$30.00	\$195.60	6.33	\$27.50	\$174.07
4.0	30.00	120.00	4.0	35.00	140.00	4.0	30.00	120.00
1.89			3.16			3.1		
.10	20.00	2.00	.10	20.00	2.00	.10	20.00	2.00
.20	4.00	.80	.20	4.00	.80	.20	4.00	.80
.05	3.50	.18	.09	3.50	.32	.08	3.51	.28
1.0	1.10	1.10	1.0	1.10	1.10	1.0	1.10	1.10
1.0	.80	.80	1.0	.80	.80	1.0	.80	.80
1.0	1.50	1.50	1.0	1.50	1.50	1.0	1.50	1.50
1.0	1.10	1.10	1.0	1.10	1.10	1.0	1.10	1.10
1.0	3.20	3.20	1.0	5.60	5.60	1.0	4.80	4.80
1.0	.95	.95	1.0	1.10	1.10	1.0	1.05	1.05
1.0	3.82	3.82	1.0	3.82	3.82	1.0	3.82	3.82
1.0	2.40	2.40	1.0	2.80	2.80		2.40	2.40
		\$137.85			\$159.94			\$139.65
		17.19			35.66			34.42
		25.34			24.53			22.06

pasture rent per steer he would charge \$4.76 per month per steer for the four month period. This charge would equal \$1.00 per month per 100 pounds of live weight based on the average weight of the steer for the grazing period. Or 1.2 X 400 pounds (beginning weight) X \$1.00 per cwt. would give about the same monthly rate as the average weight X \$1.00 per cwt. per month. If the pasture owner rents the pasture out and furnishes the feed and mineral he would need \$22.07 per steer to net the \$19.06. Thus, he would have to charge \$5.52 per month pasture rent per steer to equate rental income from these two methods.

Obviously, from our discussion on Budget I, if the owner of the cattle pays \$19.06 for pasture, feed and mineral per steer for four months and buys the 400 pound steer at 35 cents and sells a 556 pound steer for 32 cents he is only breaking even. If the selling price per pound were equal to the 35 cents purchase price the owner of the cattle would make a profit of \$16.67 per steer if there were no death loss, or \$13.87 per steer with a 2% death loss. If the owner of the cattle is keeping the cattle for feed lot gain he has had a feed cost of \$19.06 for the 156 pound gain or 12.22 cents of feed cost per pound of gain. If the interest and death loss were added to the pasture and feed cost, the total cost would be \$25.59 for the 156 pounds of gain or 16.4 cents per pound.

Note in comparing Budgets I and III, that Budget III returns a net of \$35.66 or only \$16.60 per steer more for the March 1 to May 1 grazing period. If one acre of pasture would carry one steer for this period the graze out diverted wheat would only have to yield \$16.60 in wheat after harvest cost or about 20 bushels per acre to give higher net returns than the grazing.

If the feeder selling price should be 32 cents the March 1 to May 1 grazing would return \$29.64 per acre which would approximately equal a 30 bushel wheat yield in net returns. If the 652 pound feeder steer sold for 35 cents, the March 1 to May 1 graze out period would compare with a 48 bushel wheat yield in returns.

Wheat will provide good pasture until about May 20 in central Oklahoma. Steers should gain about 1.6 pounds daily or 32 pounds from May 1 to 20. A steer weighing 550 or 560 pounds on March 1 should gain 125 pounds if pastured on wheat until May 20.

Many farmers start grazing the small grain too early and reduce the total forage production. A top growth of 6" to 10" before grazing will assure a well developed root system and maximum forage production. Poor gains are usually secured from the early succulent forage until about November 15 or December 1. Rotating the cattle on pasture can increase the forage production about 10 percent. A three field rotation is better than the two fields. Rotation grazing is more beneficial for increased production in the spring period than the fall period. Vetch used in the pasture mixture will usually extend grazing to about June 15.

In buying cattle for winter pasture some buyers prefer to have the cattle vaccinated, branded and dehorned at the buying point if good facilities are available for working the cattle.

If the feeder cattle are sold off the winter pasture at livestock sales or terminal markets it probably would pay the seller to take the cattle off pasture and feed them a dry-up feed for 4 or 5 days before selling. This can usually be done at a commercial feed lot cheaper than at home.