

Falling Markets Lead to Strict Management

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Ethanol has the entire agricultural community spinning. This market is coming on fast and shows growth in the future that has the entire industry in a whirlwind with everyone wondering where it will finally settle. The higher grain prices have caused turmoil in the calf market, sending many cow/calf producers scrambling to make up for lost dollars. This will be done either by increasing weights or cutting expenses. Unfortunately, the two don't necessarily coincide.

Rising feed costs accompanied by lowering calf markets have forced the decision as to what feed programs are economically justifiable. To keep maximize efficiencies, some feedstuffs may need to be cut. (That comment is the result of a feed salesman writing this article on Sunday.) Levels of return will be greatly influenced by the decision as to which feedstuffs to cut.

The current cow market has followed the calf market, giving ranchers incentive to keep cows in their herds. In the recent high cow markets, animals coming up open in the spring have not been a terrible tragedy as their cost could be made up in the sale ring. This year it is my opinion that high conception rates will be essential to gaining returns, keeping more cows in the herd and allowing more pounds to be sold in the fall. Feedstuffs that significantly enhance successful breed up are worth more now than ever and should not be cut. Mineral programs to keep herd health in condition are essential and maintaining sound body condition scores throughout the year will be an absolute necessity.

The days of being able to simply throw feed out in front of our cows and still come out profitable are gone. Feeding programs must be strategically planned and strictly managed in order to maximize returns this coming fall. A strong look at your program and taking advantage of the tools around you could greatly improve your program. Ration balancing can significantly help to track costs. For any of this, feel free to call Central Montana Co-op to see if we can help work together to improve your program.