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Pasture to Profit Podcast
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BEGIN TRANSCRIPTION

00;00;16;09 - 00;00;46;11

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Welcome to Pasture to Profit. My name is Scott Stinnett, CSU extension specialist in Kit Carson County, located in the Burlington, Colorado office. And with me again today is my colleague Travis Taylor from the Yuma County office located in Wray, Colorado. And Travis, you found a little article for us to read because we like to read these little articles because, well, I got a short attention span, but you found one on maybe making some thoughts that would make a lot of sense when our dry conditions were having.

00;00;46;13 - 00;01;11;13

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Yeah. So I read the University of Nebraska beef watch when it comes out and our colleagues up there in extension, Aaron Berger and Brock Ortner from the UNL team, they were talking about having a strategic plan when you're destocking the cowherd. And I think we all get to that at some point in time. And, you know, some of the stuff we've talked about earlier.

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But when when we have limited grazing and we're having to destock the cows, what are we looking at to make sure we retain that core group of foundation females, particularly at these record cattle prices that we've seen to be able to build back or stock the cows with building back in mind. And I think, you know, Scott, some of the stuff we we've talked about before, but as always, I think we need to know kind of have a assessment of what are your operations goals, what is your goal for your cow, the type of cow that fits your operation.

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What will your resources look like going forward? You know, here in our Northeast Colorado area where we're drying up some wells and irrigation, we're having a little different environment, maybe not have as available winter resources that we've had in terms of cornstalks, things like that. So how's that going to look going forward? Will our environment get easier or harder?

00;02;18;04 - 00;02;44;16

Unknown

I'm not sure. I can't answer that one. And what kind of resilience will these cows need? You know, we're always changing our labor. What's our labor going to look like? Our producers in our area are getting older all the time. So have you had your ranch goals? What the future of your ranch is going to look like? And then you and I love to talk about cows.

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So what kind of cow fits in that production environment? Or our ranching barometers, if you will. Right. And making these decisions on cattle kind of falls into two, two kind of hot button words out there. Sustainability, the financial and business sustainability of the ranch. How are we going to how are you going to power on through this dry session, then the sustainability of the environment itself, the cows that match the environment the best.

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But really another thing you're talking about, the age you know, of our producers is part of our succession plan. Our a lot of our ranches may jump a generation because that middle generation has gone off the farm somewhere off the ranch to, to make a living. Maybe it's helped out, but it's going to be that third generation that those grandkids that are going to take over, maybe because they're young and they can do it and they haven't settled into a career yet.

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And so that's what they're going to do. So. So yeah, now you're saying the word destocking. But let's start with that. It's kind of a fancy word for culling. But we're not culling because we're not necessarily just getting rid of stuff to get rid of it. We're taking a step and a plan to bringing us down to a group of cows that can make us through this dry season and go on.

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So what do we need to consider? Well, I think there's another factor in here because we're at low cow numbers, we're considering those cows that we're going to have to rebuild our operation when the time is right. So let's talk about a couple other things that kind of put us in there. You know, you and I have talked about if they if the teeth aren't functioning, if the utter isn't right, if the hood are causing lameness, if she as we get older, both you and I, if she has a little bit of attitude, those are things that and keeps everything stirred up, particularly as we get older.

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Those are things that are pretty no brainers for us to increase and multiply our labor force and our factors, right, so that we're not

spending time, money and effort on dealing with one cow when we could be out feeding a whole herd a cow. So those simple basics there, I think that you and I have talked about. But, you know, I think there's a few other things that we need to think about when we start destocking those.

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So first ranch profitability. Right. We're going to look at what kind of livestock is going to bring profitability to the ranch. And in that we we'll talk a little bit about tax implications. You know, heifers that are over two years of age. We're going to be paying capital gains if we've raised those as well as income tax on that money.

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So that that does factor into the equation. So you know, we have to understand what's going to be right for us when we get ready to rebuild this operation. So what kind of cattle are we going to look at? We're probably is going to look at those foundation cows that have proven themselves. So in your mind, Scott, what's a foundation cow that's proven itself in your operation?

00;06;13;24 - 00;06;32;24

Unknown

If we're going to do this, we're going to go back and we're going to look at what's going to carry us forward by looking at what has worked well. So a foundation group of cows, your core herd are probably going to be your mature cows. The sure enough, you know, in the sale barn, we might call them running age cows, right.

00;06;32;27 - 00;06;55;10

Unknown

These are going to be females that are 5 to 8 years old. They've had 3 to 5 really good calves, the top end of our calf crop. They're definitely mature. They're fitting the environment well, you know, their body condition matches the environment. They're not our poor hard doers. Again, go back to teeth and udders. Sorry. That's hard to say.

00;06;55;10 - 00;07;31;16

Unknown

Fast, but feet, teeth and udders, if everything there is in good condition, they're seven, eight years old. We know most likely as long as they stay fertile, we're going to keep those around. But another thing we think about is if those females match that environment and can produce calves that match that environment as well, even if we use, hopefully we use multiple bulls over several years we've traded out a couple of bulls or you know, if we've AI to some different bulls, if they can do it across multiple matings with different genetics, then they really do fit the environment.

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Unknown

They fit what we want. They produce the kind of calves we want, but since we're rebuilding, they'll produce the types of females that we want to

retain. And so with some of the pride, products that are available out there for AI work and everything, where we could maybe even use sex, semen, find our very best of our core cows to keep and freedom to female producing semen.

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So we hopefully get a 90 to 100% calf crop that we want of those that are that are bred to produce females, to make us some replacement females. So that's something that that was has been brought up, something to think about. I think you and I both understand destocking culling. We've judged some livestock shows. It's easy to find the top end, it's easy to find the bottom.

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But sorting through the middle, kind of using some of these things, if who's our proven females that we're going to keep in that hurt. Yeah, I totally agree with you. It's positioning ourselves so that when the dry weather or the fire and some of our cases or whatever has been gone, we can build back a better beef herd and have our problems gone and be building from those cows that we know have typically worked in our environment successfully.

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I think it's important. I think it's best to position ourselves and know that when we are talking about that, we have some ability to get that done. There's some other technologies available to us that probably are getting closer and closer to being perfected. So I'm going to talk about ultrasound and checking with ultrasound here for a minute. So if I've already, as most of our producers have, I've called those issues, I've called on performance, and now I have this set of cows that I really want, and I just am painstakingly trying to get rid of them.

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Maybe I can alter sound those cows here at 30, 45 days or less than 60 days and sex those calves inside those cows. And maybe I'm going to keep all the cows this year that have heifer calf pregnancies inside of them so that when it comes back, I've got to sell these cows, and I'm going to keep those heifer calf pregnancies.

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So next year when they hit the ground, I've got two sources of income that maybe I'm deferring this year. So next year when they hit, maybe I'm going to raise and breed those heifers as they hit the ground, because I know they're out of my top end cows, and I'm just going to breed a solid set of heifers the following year.

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Unknown

Right. On a marketing perspective, if you're having to stock and you're selling some red cows, if you know they're bred to have bull calves. So we'll have some steers to market a producer out there that's a terminal producer. That's what they want. That may be exactly what they're looking for. To fill some holes that they need is to buy some cows that say, hey, we've had a made or and we've had them checked.

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And yeah, these are all should be good to go with bull calves. You know, there's a little bit of, you know, favorite work you probably better do to on your guarantee for bull calves because, you know, an ultrasound tech can't miss something every once in a while. But, you know, that's yeah, that's that's a marketing tool. By knowing what you have and on your end for planning, you go to get that production loan.

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Unknown

You say, hey, I'm, I've got so many cows that are going to have so many heifers. We know that heifer calves don't bring quite as much at the sale barn, sometimes because they are usually a little bit lighter, but doing a plan for it. We can have an estimate if we've got 100 cows and we got 75 of them that we're going to keep and all that, 75, 60 of them are going to have heifers, we can kind of plan that.

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There's going to be maybe a slight decline in income, but it may be profitable for us to do that because they're not going to be buying replacement females. So like you said, you could put that package of cows together that have been ultrasound and to have a significant percentage of staircase. Also on the other end, there's we talk about our younger cows having our better genetics, but there's a difference between better genetics and proven genetics.

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Unknown

As we've talked about, our older cows have proven genetics in our environment. We're hoping that our younger cows have better genetics that will continue to improve, but we lose a lot of two and three year old cows out of our system just because on the side of things, they haven't proven themselves. So a lot of people would like to buy a nice set of young 2 or 3 year old cows with calves at side.

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So if I'm having to sort out a certain pair, I might be able to put a higher dollar value package together of young cows and still position myself to be the strongest when I go to rebuild my heard back. So again, like our podcast Pasture to Profit, put that profitable group of cows out there that somebody really wants to buy and has an inkling to go a long ways to get, rather than maybe just an older set of cows that somebody's going to only have for a year or two.

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So I think you can increase your profit on that side as well. When we start looking at that happening. And if you are in a position you need to buy something back in the future, you got you can pay a little more for those better quality ones on the other side too. If you defer those tax consequences for a couple of years.

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Yeah, that's kind of like anybody that's traded out vehicles, right? Yeah. It's nice to trade out a new vehicle because it has more value when you go to the dealership than trading out a highly used vehicle when you go to the dealership. So same kind of mentality there. When we're talking about these cows, you get more cash on the on that trade and value that you can use later on.

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You know, there's a couple other things we've talked about some of the repro management tools that they've talked about. We've talked about those cows. I think another thing to look at is cows that continually calve early in the cycle. Those cows that continually calve on time are very valuable to an operation. So heifers that are born early, cows that calve early, I think have a significant value in your environment because that's something that does not translate all across every operation that we have.

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With that being said, I think also if you have a chance to sell two year old pairs and you have a set of replacement heifers that are yearlings that don't have anything on them and you're short on forage, remember that heifer calves and yearling heifers do much better in the lot than pairs. So if you have to come off grass and you have to dry lot something and you want to keep something there, those cattle will do better, stay healthier and be in a better position than trying to raise pairs in a dry lot situation.

00;15;08;10 - 00;15;32;06

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Yeah, because especially if you've weaned them and did some preconditioning, they already learned about the bunk. They already understand the dry lot. They understand where the water is. They understand the environment versus trying to bring some old cows in that. Haven't seen that since they were kids and were being being bone broke. Yeah. Well, Scott, I think that probably brings us on this article to a bottom line.

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There's really three things that I think the article talks about. And, you know, eliminate those problems is one of them time dollars that you invest in labor, those cows that are costing you money, focus on

profitability, profitability of the entire ranch in the future, and not necessarily gross income that we're getting from that ranch, because gross income sometimes costs you extra inputs to get that.

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So focus on ranch profitability. And then they kind of coined the term and I like it. We're going to build back better than we were before. So position yourself with some of these tools like sex semen and ultrasound reproduction to be able to build back better from a core set of foundation females when the time is right for you to do so.

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I think these are some great things for producers to think about. I think it's not just a blanket culling of getting rid of just trash or a junk sale. We definitely want to put some forethought into what the future is going to bring. So with that, that brings us to the end of our podcast this time. So once again, if you have any questions or comments or topic ideas for us to discuss here on Pasture to Profit, you get ahold of me, Scott, here in the Kit Carson County office, you can call me at (719)346-5571.

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Or you can send me an email at Scott.Stinnett That's STINNETT at colostate.edu and Travis. They get ahold of you. Well, if you want to get ahold of me, my email is travis.taylor@colostate.edu. Or you can call me in Wray in Yuma County at (970)332-4151. Thanks again to everybody for listening to Pasture to Profit. We hope that you will tune in next time.

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