**What is Your Cow-Calf Cost of Production?**

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As beef cow-calf producers struggle with the drought and all that it entails, they will find that their cost of production is again pushed upward by the higher feed and associated costs. It is key that producers know where they stand on their total costs as they make decisions about marketing and for some, herd reorganization. Data collected from farms and ranches enrolled in the North Dakota Farm Management Education Program gives us a good view of those costs and returns. The data reviewed and published for this North Dakota 2020 beef cow-calf enterprise, came from 17 herds, and included 3,755 cows. The data represents all cow-calf costs and returns for the year, with the calves either sold or transferred out at weaning time. The retained post-weaned calves were usually set up as a separate backgrounding enterprise. All regions of the state, outside of the Red River Valley, were represented in the state report. Individual regional numbers are also available for the Western, North-Central and South-Central Regions of the state.

The total average net cost of production was calculated to be $781.67 per cow or $144.90 per cwt. of production. This represented an increase of 6% over the 2019 total costs of $738.05 per cow. The total cost per cow is all inclusive and includes direct costs, overhead costs and those costs associated with replacing the breeding stock within the herd. The average herd produced 531 pounds of calf per cow as measured at weaning time. The average weaning weight was calculated to be 564 pounds with 493 pounds weaned per exposed female. Post-weaning costs for calf feeds and maintenance are not included in the above numbers as they are separated into a backgrounding or feeding enterprise at weaning.

Other key production numbers for these herds were a pregnancy percentage of 96.5%, a calving rate of 94.8% and a weaning percentage of 87.4%. Calf death loss was 7.9% while cow death loss was recorded at 2.5%. The average culling rate was 13.2%.

The 2020 direct costs of $104.53 per cwt. made up the largest share of the total costs and averaged $566.24 per cow. The greatest share of the direct costs was for feed and grazing at $412 with the balance made up of veterinary at $40.10, supplies at $13.94, fuel at $18.73, repairs at $49.09, custom hire at $15.51, bedding at $7.73 and miscellaneous at $9.12. Following this were the overhead costs at $21.06 per cwt. or $114.10 per cow. These included hired labor, farm insurance, interest paid on the investment, utilities, depreciation on machinery and buildings and miscellaneous costs. The final share of the costs came from what is known as inventory change or the cost of maintaining the breeding herd itself with both male and female replacements. This amounted to $101.32 per cow or $19.08 per cwt. of production. It included purchases, transfers in or out, cull sales, government payments and other income.

The role of government payments through the various COVID and disaster aid programs cannot be overlooked in the 2020 production year. The payments, which amounted to an average of $111.00 per cow, did help to eliminate a share of the total costs. The government payments helped to offset 52% of the total inventory change costs, reducing it from $212.32 to $101.32 per cow. Total costs before the government payments were calculated to be $892.67 per cow and the highest per cow cost to date.

As beef cow-calf producers struggle to maintain profitability, it is important that they know and understand not only their average weaning weights or production numbers per cow, but the entire cost structure that goes along with raising that cowherd, including breeding stock replacement costs.

To view various farm financial numbers and ratios, as well as crop and livestock enterprises, on a regional or state-wide basis, producers may go to the website ndfarmmanagement.com**.** Various regional and state reports along with visual presentations are available for producers to view or download as they so desire at no cost to them. A listing of instructors and program locations is also included on the web site.

The North Dakota Farm Management Education Program provides lifelong learning

opportunities in economic and financial management for persons involved in the farming and

ranching business. Visit ndfarmmanagement.com, Facebook @NDFarmManagementEducation,

or contact Craig Kleven, State Supervisor for Agricultural Education, at crkleven@nd.gov or

701-328-3162 for more information. The ND Farm Management Education Program is

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