



Value-Added

You have likely heard the term value-added before. Maybe it makes you think about ethanol or oil seed processing. Value-added is a term meant to convey the fact that we have done something to a product that makes it worth more than it was before. Cattle are the original value-added product.

In the upper Midwest states where corn and cattle are both abundant, feeding corn to cattle originally served as a way to add value to your corn by turning it into beef. This year, the way things are looking, it makes sense to feed our corn and sell it on the hoof instead of putting it on a truck or train. Costs of gain are reasonable and cattle prices are strong. The benefit we have in this area of the country is our captive feed supply. In the major cattle feeding areas of the southern plains, like Dalhart, TX, and Guymon, OK, the corn basis right now is +\$0.60/bu (putting corn price at \$4.93/bu). The basis at Wolsey, SD, today is -\$0.65. If you didn't do the math already, that is a difference of \$1.25/bu. That has big implications for your cost of gain. Assuming all other factors are equal, the basis makes a difference of \$0.10/lb to your cost of gain.

The upper Midwest also has an advantage when it comes to roughage. Most farmer-feeder operations have some captive forage supply, whether it is in corn silage or corn stalks or hay. The commercial yards buy every pound of roughage they feed. Because of their scale, roughage is very inconvenient for them to handle. Without roughage, though, cattle are more likely to suffer from bouts of acidosis and intakes will generally be lower.

You may have heard that cow numbers are at or near historical lows, but the amount of beef we are producing continues to grow. How can that be? We keep making cattle bigger. It is not uncommon to send cattle to slaughter at over 1,550 lbs. That doesn't happen solely because we feed the cattle longer. It happens because we have changed cattle genetics and their ability to produce red meat, and we have increased their capacity to carry that kind of weight. It also happens because we do a better job feeding the cattle and developing them in a manner to handle the increased weight. It happens because we can utilize products to help us achieve heavier weights like implants and beta-agonists.

The benefit of feeding cattle in the southern plains is the weather. The cattle don't have to deal with the extreme cold and mud that we have in the upper Midwest. Their intakes are generally substantially lower, so their feed conversions are usually better than what we see. If we manage pen conditions well and we don't have the extreme storms, we can compete. Cattle comfort influences gains so that makes things like wind breaks, bedding, and pushing snow more important. If we manage those things well, our conversions improve, making us more competitive.

Looking forward, it appears that feeding cattle will continue to be a good way to add value to your corn or forage. Grain prices may be lower than we like for a while, but cattle prices and protein

In a Nutshell:

- Feeding corn to cattle is the original value-add
- Local basis influences cost of gain
- Upper Midwest has an advantage in roughage
- Utilizing technology has increased cattle weights
- We need to manage the weather as best as possible
- Cattle feeding is a good way to add value to your corn

markets are good and should remain so for the foreseeable future. In the upper Midwest, we have an opportunity to be in the driver's seat when it comes to adding value to our crops by feeding them to livestock. Talk to your local Dakotaland Feeds consultant about getting feeding programs set up so you can get the most out of your homegrown feed.

Roxanne Knock, PhD

What do you need to be thinking about this time of year?

- **Order your Stress Care for weaning.** Planning ahead will help ensure you have it when you need it!
- Talk to your vet about getting a VFD if you want to use Aureomycin at weaning time.
- Remember to HEAT TAPE lines on liquid systems. This keeps the line fluid.
- Get **30-13 or 38-20 Hi Energy Tubs** for grazing corn stalk residue.
- Implant calves during backgrounding to get the best gain and efficiency.
- Get your forages tested for quality and have your Feed Consultant set up starting/growing rations.
- Set up a herd health plan for vaccinations, de-worming program, and treatment protocols with your veterinarian.
- Inventory your projected feed resources and project your winter feed needs so you can plan accordingly.
- Pregnancy check cows and decide on a strategy to sell or feed them. Implant them if you decide to fatten them.

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