

Alternatives for Cattle During the Drought: Moving Cattle off the Ranch

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An alternative to selling cattle or having to purchase feed is to locate pasture or perhaps a confinement yard and move all or a portion of the cattle off the ranch. Just as buying feed and feeding on the ranch costs money, so do these alternatives. So one must evaluate the costs of these options relative to selling cattle or holding them on the ranch and feeding them.

What are the possible advantages of moving cattle off the ranch? One long-term advantage can be the health and productivity of pasture and rangeland. Grazing an area below critical residue levels can enhance soil erosion. Continued grazing of plants that may attempt to grow following spotty rainstorms can weaken the plant's root system and reduce future standlife, vigor and production.

Another potential advantage is lower costs for holding the cattle. Budgets indicate that the annual lease cost for pasturing a mature cow ranges from \$80-120/cow/year or about \$6.50 to \$12 per cow per month. Under drought conditions with higher demand for pasture, the cost may be higher. But, if a cow consumed 25 lbs. of forage per day, hay would have to cost less than \$32/ton in order to compete with pasture that rents for \$12/cow/month. Other factors such as transportation for the cows, labor and supplement must be figured in also but this gives an idea of the potential advantage of leasing pasture versus feeding hay. Confinement feeding using concentrate feeds that are relatively low cost (\$/Mcal of energy) may also be useful and more economical than holding cattle on the ranch. Less total feed would be required for the cows because of the higher energy density of the feed. With grain prices trending down, and the demand for hay increasing, it is possible that a concentrate "grower" type ration will cost less per ton than hay in the coming months.

What cattle should I ship off the ranch?

Total destocking of the ranch may not be warranted. Destocking to bring cattle in line with the current

pasture and hay supplies should be the first consideration. If heifer calves that are intended for replacement are kept, then they are good candidates to ship to a backgrounding yard where they can be grown out to proper weights in a cost efficient manner. These are probably the most costly cattle to keep on the ranch and attempt to feed.

Custom heifer rearing operations which grow the heifers and also breed the heifers may be a good alternative for these cattle. Any other cattle that are not culled may be sent to pasture or possibly a confinement yard. The only reason to send cull cows to another location is to possibly increase flesh and value prior to sale. The economics of this program need to be evaluated closely. The profits in feeding cows for slaughter are closely tied to the seasonal markets which are typically best from January through March. This is a long time to hold cows.

If cows are to be held for slaughter, a feeding program with more concentrates will be the most efficient. Many confinement facilities are listed in the directory of the Texas Cattle Feeders Association. Many of the yards in central and south Texas have growing programs and some have heifer development programs. Backgrounding facilities will also have growing programs for cattle. Large commercial feedyards may have little interest in feeding cows or growing cattle for a short-term. Do not rule these out but be aware that they are more interested in finishing cattle.

What should I be concerned with in a pasture lease?

If the lease land is near-by and you are going to care for the cattle, then make your best determination of the amount of forage present, the supplemental feed costs, and possibly most important, the additional fuel, labor and equipment costs that you will incur taking care of the cattle.

If the lease is distant and you will not care for the cattle, then you need to be able to find a dependable, reputable

caretaker for your interests. There are many terrible stories about cattle producers that have leased country and shipped cattle only to later realize their cattle were not taken care of in the manner they desired or that the person caring for the cattle was not totally honest. If a lease is distant, weigh the costs of transporting the cattle to and from the homeplace to the lease, the availability of supplemental feedstuffs, and other costs associated with maintaining the cattle, and make certain there is adequate forage to support the cattle until they are moved home. Avoid having to move cattle from place to place in order to supply forage. Finally, set aside time to check on the cattle. One may find that frequent visits are not necessary but the only way to know this is to check on the cattle after they are moved. Once again, many bad experiences could have been partially or completely avoided if the cattle producer had checked on the cattle rather than trusting everything was operating as desired.

A lease agreement should be drawn up and signed by both parties. This document should outline what is being provided by the landowner at the price of the lease. This

document should also outline in rather distinct terms what the cattle producer expects from the lease and the landowner. Things such as daily care of the livestock, labor for other cattle work, maintenance of fence and water, and supplementary feeding, need to be outlined. Contingencies for bad weather, destocking because of a fire or other loss of forage, need to be agreed upon. Duration of the lease should also be defined.

Summary

Moving cattle off the ranch is a possible alternative to holding and feeding or selling on a distressed market. The process of evaluating these alternatives are the same as evaluating whether to purchase feed or sell the cattle. In order to evaluate this alternative, determine the costs of holding the cattle on the ranch and purchasing feed. If moving the cattle to a lease or a confinement program is less costly, then this may be the option to select. Remember that your financial interests are being trusted to another individual if you move cattle away from the ranch. Be sure your interests will be cared for properly at a reasonable cost.

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