



BEEF

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Holding on to your profit in 2017

Edited by
Karen Dukelow,
Cattle Specialist



Be prepared for bad weather by being flexible – have paddocks with multiple access points, on-off grazing, and re-housing where necessary.

It's that time of year again when we reflect on the year past and look forward to the year ahead, so what does 2017 hold in store for your farm? And what will drive profit on your farm in 2017?

Weather

Who knows what 2017 will bring

weather-wise? Even the long-range forecasters get it wrong. We can only deal with the cards we are dealt, so that means being flexible with grazing when the weather is bad.

This includes having lots of paddocks with multiple access points, on-off grazing and re-

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housing where necessary. If fodder shortage could be an issue on your farm, start planning now rather than later.

Prices

Increased supplies of cow beef and continued slow growth in demand led to lower cattle prices in 2016 as compared to 2015. The Irish beef sector is facing into another difficult year in 2017.

Your farm's performance

There is very little that can be done regarding factors outside of the farm gate, so what can be done inside it to ensure that maximum profit can be achieved in 2017? The first port of call is the eProfit Monitor (€pm). If not already done, you should complete your €pm for 2016. It is the starting point for assessing your own farm's performance and is also a requirement under the knowledge transfer (KT) programme.

Key figures from your €pm

Profit

Profit is the measure of the return your business creates and is essentially the reward for unpaid family labour, management and the owner's investment in the business. Profit is also referred to as net margin or 'the bottom line'. It is calculated through a number of steps. Purchases are subtracted from sales and adjusted for inventory to arrive at a gross output. This is the liveweight produced on your farm. From this figure variable costs are subtracted to arrive at a gross margin. To arrive at the net margin you need to subtract fixed costs from the gross margin. The BETTER Farm programme uses gross margin to compare farms and the target has been to achieve a gross margin of €1,000/ha.

Output/livestock unit

Output or the liveweight produced on your farm is the main driver of profitability. Targets for various systems are outlined in **Table 1**. Every animal on the farm needs to be achieving excellent liveweight gains. Output/livestock unit (kg/LU) is a measure of how each animal is performing. If you are suckling, your cows have a big impact on this figure. Every cow on the farm is counted so empty cows, late cows and cows that produce

light weanlings really drag down this figure. You need to calve to grass as compactly as possible in order to maximise profitability. You need to cull empty/late cows and breed fertile, milky cows who produce heavy weanlings. Your Irish Cattle Breeding Federation (ICBF) calving report and €urostar report will help you to identify cows to keep and cows to cull. Your KT farm plan also has a breeding plan to complete. Remember, you need to have enough suitable replacements coming in to replace unproductive cows. They need to calve at 24 months to maximise output and profitability. Other factors that affect output are animal health, genetics and grassland management. Animal health is often overlooked, but animals need to be disease free in order to achieve target liveweight gains. Every farm should have an animal health plan (also a KT programme requirement). A disease outbreak on a farm causes losses, reduced liveweight gains, increased vet bills and an awful lot of heartache! Genetics drive liveweight gains. In suckling systems, it means using the replacement index for breeding your replacements and if you use AI or your herd is large enough,

using five-star terminal bulls to maximise the genetic potential for growth in your weanling bulls.

Grass is a key component of liveweight gains and minimising costs. Keeping the wintering period as short as possible will maximise the time at grass and increase liveweight gains. It will also reduce costs by lowering your silage and meal requirements. Tight management of grass during the summer months will maximise liveweight gains. You should be looking to get set up for an early turnout this year. Teagasc will be running a number of Grass10 walks this spring, details of which will be available locally.

Variable costs

Variable costs are the direct costs of production. The main costs here are meal,

fertiliser and lime, and contractor and vet bills. Meal inputs vary for different systems. A rough rule of thumb is for continental/FR systems, allow a total of 1t of meal for steer finishing systems, 0.5t for heifer systems and 1.8t for bull systems (see **Table 2**). Early-maturing (EM) calf-to-beef systems require less meal, totalling approximately 700kg for EM steer systems and 300kg for EM heifer systems.

Other variable costs are given in **Table 3** based on typical costs from the €pm. If your costs are higher than these, then you need to ask why!

Summary

Start 2017 by completing your 2016 €pm now. It will give you clear ways to improve profitability on your farm!

Table 1: Production system target outputs.

Production system	Targets: beef output (kg/LU)
Suckler to weanling/store	300/345
Suckler to beef	360
Weanling to beef	485
Store to beef	345
Calf to store	500
Calf to beef	500

Table 2: Meal inputs by stage of production.

Stage of production	Meal requirements (kg/stage of production)
Suckler to weanling/calf to weanling	140
First winter	110
Finish – steer/heifer/bull	750/300/1600

Table 3: Average variable costs (excluding meal) on suckling and non-breeding farms.

	Suckling farms (€/LU)	Non-breeding farms (€/LU)
Fertiliser/lime	100	90
Contractor	60	50
Vet/Al	60	40
Other	60	60



RESEARCH UPDATE

Measuring feed costs

John Heslin, Mark McGee, Mervyn Parr and David Kenny of Teagasc, Grange, have been studying the winter feeding of suckler cows and replacement heifers.

Feeding the cow is the greatest single expense in suckler beef production systems. So feed costs need to be minimised, especially during the indoor winter period, where as much as 55-65% of the feed costs are incurred.

Body condition scoring (BCS – estimate of body fat reserves) is a practical management tool that farmers can use to monitor the nutritional status of their cows.

Score and split the herd

Ideally, the herd should be body condition scored at housing and cows penned according to BCS. If possible, split the herd into three groups: (i) lean (thin cows; BCS 2.0-2.5); (ii) target (majority of cows; BCS 3.0-3.5); and, (iii) fat (over-conditioned cows; BCS >3.5). Cows with a BCS >3 can afford to lose between 0.5 and 1.0 BCS through restricting the allowance of good quality (>70% dry matter digestibility – DMD) silage (30-35kg fresh weight), offering moderate quality (65-68% DMD) silage to appetite or by diluting the energy of the diet by incorporating straw. Thin cows need to be prioritised and

allowed free access to good quality silage and/or supplemented with concentrate, where good quality silage is not readily available. Cows should be offered an appropriate dry cow mineral for at least six weeks pre calving. Cow BCS should be monitored closely at all times as both over- and under-conditioned cows have an increased probability of a difficult calving. For a detailed overview of the winter feeding management of suckler beef cows, refer to the proceedings of the Teagasc BEEF 2016 open day available on the Teagasc website: www.teagasc.ie.

Winter feeding management of replacement heifers is critical in order for breeding heifers to calve at 24 months of age. There is currently no information on age at puberty for the predominant replacement heifer breed types in Ireland, and nutritional protocols to ensure early attainment of puberty resulting in successful breeding at 14-15 months are required. To this end, a large project has been conducted at Teagasc Grange over the last two years. Results should be available early in 2017.



HEALTH & SAFETY

Reduce risk with planning

There is a high risk of accidents in January, corresponding with the increase in workload. Work planning is a key approach to cut accident risk, as it helps to prevent rushing and tiredness. Think about possible ways of cutting workload; some may be implementable immediately, while others may require longer-term



Do not enter a machinery 'trap zone'.

planning. Safety studies show that human behaviour is a factor in over 90% of all accidents. Crushing by vehicles,

power shaft entanglement, falling

loads, slurry drowning and cow attacks are particular risk factors in January.