

WERE THERE ANY PROFITS TO BE EARNED BREEDING HEIFERS IN 2002?

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Introduction

Western Canadian cattle producers who background their weaned calves during the winter are typically faced with the same dilemma every spring. Should I: 1) sell my open heifers into the February-March yearling market, or 2) turn some heifers out on grass with a bull for the summer? This study offers producers the opportunity to benchmark their 2002 costs and returns of exposing open yearling heifers to a bull, against a sample of 31 producers from across Saskatchewan.

Value of Production

Section A of Table 1 reports the value of production associated with exposing open yearling heifers to a bull during the breeding season. **Value of production is:** The value of these heifers after they have been pregnancy checked in the fall of 2002 (**\$1229/head**)

Less: The value of these heifers when “turned out on pasture” in the spring of 2002

(\$826/head)

= \$403/head

These values are all net of trucking and marketing deductions.

Cost of Production

A cost of \$105/heifer exposed or \$0.617/head/day was the average cost of grazing when the grass consumed was valued at supervised grazing rates (Section B – Table 1). The average length of the grazing period for these heifers was 170 days/head. Drought conditions forced some ranchers to provide supplemental grain and/or forage to the heifers before and during the breeding season. The supplemental feed accounted for approximately 15% of the total production costs for this enterprise. The “Bull Expense” category is included to reflect the annual costs of:

- 1) Feeding,
- 2) Grazing,
- 3) Veterinary,
- 4) Business Overhead, and
- 5) Depreciation, associated with the bulls used for breeding.

Returns

Producers in this study who exposed heifers in 2002 realized an average **return to equity --- value of production minus cost of production -- of \$161.66/heifer exposed**. Only 4 of the 31 producers sampled did not achieve a positive return to equity from this enterprise.

Data from producers in this on-going WBDC cost of production study indicates producers earned more profit/head exposing heifers during the 2002 breeding season as compared to the 2001 season. This is believed to have happened because of:

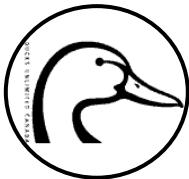
1. Heifers were assigned a higher value in the fall of 2002 as compared to 2001,
2. A lower value was assigned to the open yearling heifers turned out on grass in the spring of 2002 vs. 2001, and

3. A conception rate of 88% in 2002 vs. 81% in 2001

If you are interested in participating or require further information regarding this study or other WBDC cost of production studies contact Tim Highmoor at (306) 966-2627 or thighmoor@wbdc.sk.ca. This fact sheet and other WBDC cost of production studies can be found online at www.wbdc.sk.ca

Table 1: 2002 Breeding Heifer Costs and Returns

Number of Producers Sampled	31
Number of Heifers Exposed	43.65
Number of Heifers Conceived	38.35
Conception Rate	87.88%
Days on Pasture	170
Section A - Value of Production	
	\$/Heifer Exposed
Value After Pregnancy Checking in Fall '02 -- Net of Marketing Deductions	1228.99
Value of Heifers When Going on Grass in Spring '02	-826.01
Total Value of Production	402.98
Section B - Production Costs	
Winter Feed & Bedding	36.06
Pasture	105.19
Bull Expense	39.00
Veterinary	8.00
Business Overhead	33.42
Management	19.65
Total Production Costs	241.32
Return to Equity	161.66



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