When Cheapest is NOT “Least Cost”

This summer’s hot, dry weather took a huge toll on our corn and hay fields, as well as our pastures. Pretty much all of us who keep animals will have to decide whether we sell off our herd or purchased feed supplements. I was assisting a colleague in a neighboring county with a ration for a stocker calf operation. The gentleman was feeding corn silage, alfalfa hay and pellets to add weight and value to his animals.

Could $530 per ton soybean meal really be a smart addition to the ration when the pellets he was using cost “just” $270 per ton? In this particular instance, yes…definitely! Even though on the surface, there appears to be a $260 advantage to feeding the pellets, further analysis is needed to prescribe the best supplemental feed in this case.

First of all, one must consider the forages on hand. The operation’s corn silage was high quality being rich in energy and low in fiber; however, its protein content was average. The alfalfa hay quality was fair at best as indicated by the forage sample and so protein was a limiting factor among the forages on hand. This drives home the importance of forage testing to any animal feeding operation. Without a complete knowledge of the feed you already have “purchased” with time, fuel and fertilizer, you really are just guessing at what your animals need to perform at their peak efficiency.

The stockers’ owner wanted to maximize weight gain over the next 45 days to finish the calves out and prepare them for market. His current ration of corn silage, alfalfa hay and 3 pounds of pellets would only support about 1.2 pounds of gain per day. To reach his target of 3 pounds of daily gain per animal, he would have to more than double the amount of pellets fed per day to 6.3 pounds per calf per day.

The amount of soybean required to perform the same performance (actually a bit better) was only 1.75 pounds per calf per day. To get the extra two pounds of gain, the $270 pellets cost him just over 85 cents per calf per day while the $530 soybean meal cost just under 45 cents. His current feed ration is more expensive than the “hotter” ration with soybean meal, costing over 38 cents per calf per day. Not only does the ration with the “more expensive” soybean meal save 2 cents over the current ration and cost 222% less than upping the “cheaper” pellets, the producer will see a gain in profitability (at current market prices) of $2.80 per calf per day and $126 per animal over the course of the feed-out period!

Added to the overall profitability of the soybean supplemented ration is the animal efficiency gained in this case with the addition of a legume protein to a mostly corn diet. As you remember from your high school biology, amino acids are the building blocks of protein. Corn tends to be low in the amino acid lysine while high in another, methionine. Beans tend to be the exact opposite. When combined in a ration, corn and bean based protein sources tend to outperform diets rich in one or the other as the amino acid array of the ration is more in sync with the animals needs. Amino acids build proteins; proteins build muscle mass and increased muscle mass equals heavier calves.

In conclusion, consider a feed’s price per ton as just a starting point to consider whether it is a good buy. The amount of feed needed per animal, the other components of the ration, and the performance of the animals on feed all need to be considered.

Upcoming Events

Aug 26 VQA Steer Take Up

Aug 28 VQA Heifer Take Up

Aug 29 Hay and Forage Field Day, SWVA AREC

Sept 24 September VQA Sale

Sept 26 Smyth Washington Cattleman Meeting

Sept 30 VQA Steer Take Up

Oct 2 VQA Heifer take Up

Oct 9 Ag Field Day for 4th Graders

If you are a person with a disability and desire any assistive devices, services or other accommodations to participate in this activity, please contact Andy Overbay or Pam Testerman at (276) 783-5175/TDD (800) 828-1120) during business hours of 8:00 a.m. and 5:00 p.m. to discuss accommodations 5 days prior to the event.