Ag Decision Maker

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Ten Ways to Cut Cattle Feeding Costs

Keeping costs down is one way to improve your chances of making money in the cattle feeding business. Here are 10 suggestions.

1. **Good records**. Monitoring feedlot performance and costs allows producers to make midcourse corrections. This is particularly important as feed costs rise and cattle prices change. Knowing current costs of production is essential to making timely marketing decisions and reducing corn use.

   Several feed companies and veterinarians provide feedlot monitoring as a service. Feedlot monitoring software is available through Iowa State University Extension and commercial vendors.

2. **Purchase cost**. Purchase cost is often the largest single cost associated with a finished beef animal. Careful budgeting prior to purchase is extremely important in times of narrow margins. Good records of previous close-outs and past history of cattle from a source is useful in projecting cattle performance. Often the cheapest cattle may not be the most profitable depending on performance and efficiency. Use realistic cost and price projections when budgeting for new feeder cattle. Often periods of low prices and price volatility can create opportunities for the astute cattle buyer.

3. **Feedbunk management**. Managing feedbunks more closely can improve efficiency by reducing the incidence of low level acidosis on high grain rations. Using a bunk scoring system, or some method to reduce feed waste, can pay greater dividends during periods of high grain costs. An added benefit may be more consistent performance and better efficiency by eliminating the day-to-day variation in feed consumption. Recent research indicates that cattle that are slightly restricted (95 to 97 percent of full feed) will be more efficient. Good feedbunk management also includes proper feed mixing and accurate weighing of feed ingredients. This ensures that expensive nutrients will not be overfed, and reduces the risk of deficiencies.

4. **Alternative feedstuffs.** Many feeders are searching for alternatives to high priced corn. Several commodity feeds can partially substitute for corn. Your best bet is to look locally for feeds that may have a transportation cost advantage in your ration. Wet byproducts have a limited economical transportation range. Some examples of alternative feeds that may be available locally include corn gluten feed, distillers grains, corn screenings, off-grade or discounted corn, other grains (wheat, barley, rye, milo, oats), bakery byproducts, and others. Commodity feeds that may partially substitute for corn include hominy feed, fat, and wheat midds. Prices of these feeds tend to fluctuate with the corn and soybean meal market. Also, alternative feeds vary in nutritional content and may have practical feeding restrictions. Contact your nutritionist to help make decisions relative to the substitution of alternative feeds.

5. **Feed an ionophore.** Products like Bovatec, Cattylst, and Rumensin are ionophores. They will improve efficiency 4 to 10 percent, depending on the type of ration fed. As feed costs increase, the payback for improved efficiency is much greater.

6. **Implants.** Implants are another technology that improves efficiency. New implant technologies and strategies can improve efficiency 10 to 15 percent. Learn about the differences in implants and choose the one that matches your cattle and management. There may be tradeoffs in cattle weight and grade to consider when choosing the right implant strategy.

IOWA STATE UNIVERSITY
University Extension

Dan Loy
extension beef specialist
515-294-2240

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7. **Marketing**. Timely marketing can reduce the cost of production. It takes twice as much feed to put a pound of gain on a 1,300-pound animal as it does to put the same on a 900-pound animal. Marketing 50 pounds lighter can reduce the amount of corn needed to finish a steer by 6 to 7 bu. Consider the USDA Select discount when making this decision. Select carcasses are typically discounted more through the summer months. This makes high priced corn more valuable because it is necessary to increase the number of more valuable, USDA Choice carcasses.

8. **Protein supplementation**. Recent research at Iowa State University has shown that high performance cattle, aggressively implanted and managed to perform at high rates of gain respond to higher levels of protein (13 to 14 percent crude protein). Before adopting the recommendation to increase your protein levels to these higher rates, carefully evaluate the cattle and management to determine if a response in efficiency is expected. Even if it is, there is a cost to feeding higher levels of protein that increases as feed costs increase. Carefully weigh all supplement decisions, but be careful not to create a deficiency.

9. **Mineral supplementation**. Evaluate your mineral supplementation program. Are you feeding a protein supplement that is complete with minerals and supplementing minerals free choice? If your mineral is a free choice mineral, is it the right one? Phosphorous is one of the most expensive nutrients that is added to most mineral supplements. On a high-grain ration, supplemental phosphorous is likely not needed. Corn is a good source of phosphorous. Free choice mineral mixes or blocks for feedlot cattle should be high in calcium and low in phosphorous.

10. **Do the little things**. Basic management that requires little more than time can pay big rewards in improving efficiency when feed costs are high. These include routine water maintenance and cleaning, feeding cattle at the same time every day, handling cattle to reduce stress (including heat stress), and maintaining quality control on feed ingredients.