

Management Strategies for Cattle During Dry Conditions

During dry conditions, the objective for cattle producers is to “buy feeding days” of forages and/or grazing while maintaining a reasonable level of productivity. Budget projections will involve maintaining all, some or none of the core productive asset base: the cow herd. Similar approaches are applicable to feeder cattle operations.

In assessing these alternatives, it is important to view them from the decision-making criteria of affordability (cash flow), profitability and desirability (including reversibility and longer term goals).

Does it cash flow?

A cash flow is a simple statement detailing cash coming in compared to cash going out. This statement will give an indication of net cash position and requirements for financing. It will also give an indication of the financial risk accompanying each alternative considered. The time frame is short term.

Specific questions addressed in the cash flow analysis include:

- Are there cash flow resources for the alternative being considered?
- Will heavy culling generate sufficient cash to allow the purchase of forage, grains and other supplements?
- Are there savings or assets to sell or borrowing arrangements in place to cover the costs of renting more pasture, fencing or buying feed?

Is it profitable?

Will the measures taken to bridge the dry conditions be “paid back” through long-term profits from cattle production? Even if the cattle operation may not make a profit this year because of the effects of the dry conditions, is the operation profitable over the longer term?

If the operation is profitable over the long term, proceeding with your dry conditions management plans would only be held back by your “cash flow” or “desirability” constraints.

When assessing your longer term profitability, keep in mind where we are in the cattle cycle. Because of dry conditions here and in the US recently, it is likely that the current cattle cycle is being extended.

Each of these elements can affect longer term profitability.

Is it desirable?

This step relates to the question of whether or not the management steps you are implementing take you down the longer term path you want for your operation. Will they result in a business structure that is compatible with your income, risk considerations and personal goals?

Will the measures taken to bridge the dry conditions be “paid back”?

Is it reversible?

How quickly and easily can a decision that is made now be reversed? For example, a cattle producer who has a purebred herd is unlikely to be able to quickly replace animals that are sold due to dry conditions. Some commercial herds may be in a similar situation in that selection of a group of animals with desirable genetics can take years. Other commercial producers may be able to rebuild a reduced herd within a year or two.

Goal-based management

Is the decision one that fits within the context of your longer term farming goals? It is important that your decisions do not conflict with your overall business strategy (such as maintaining low unit-production costs).

A few specific alternatives to consider, using these assessment factors:

- Reduce cattle numbers (consider marketing alternatives; do not just “get rid” of them).
- It may be possible to sell a portion of one’s own herd and take on the custom care for someone else’s cattle. This approach frees up cash flow while maintaining the use of cattle assets on-farm.
- Move cattle to a remote pasture (consider net cost).
- Rotational grazing (increase pasture efficiency).
- Use “written off” or poor condition annual cropland for pasture, greenfeed or silage.
- Seed annual cropland to cereals when it rains.
- Provide supplemental feed (e.g. purchased forage, calf creep feed).
- Wean calves early (cow enters winter in better condition, reducing feed requirements).
- Planting winter annual crops in the fall will provide early season forage next spring and will allow pastures to rest and recover from the lack of moisture the previous year.

Although the stress caused by the dry conditions is high, and unpleasant decisions may need to be faced, it is important to gather all the relevant facts, assess all the various alternatives and make informed, rational decisions. This process, in itself, helps to restore a sense of control to a weather-induced situation that is not of our making.

For more information

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