

## Getting a Handle on Your Beef Costs and Returns

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**Goal:** To move farmers from the basic introduction to record keeping they receive through Master Cattleman to actually being able to estimate their cost of production and profitability.

**Target Audience:** Serious cow-calf producers who are interested in improving their recording keeping systems, determining their cost of production, and improving their profitability.

**Summary:** This session will teach record keeping as a management tool. Introductory discussion will focus on record keeping as a management tool. Discussion will then focus on productivity. Producers will learn some of the most important productivity measures that impact profitability such as, pregnancy and weaning percentages, pounds of weaned calf per exposed female, calving distributions, and probable producing abilities.

Cost discussion will focus on calculating cost of production per pound of weaned calf. This will include also include basic discussions of what costs should be included, variable versus fixed costs, allocating fixed costs, and opportunity costs. Finally, the session will end with the topic of profitability, which will marry productivity with costs. We will examine historical / cyclical calf prices, measures of herd profitability, and strategies to lower cost of production.

**Time Allotment:** roughly 4 hours of classroom style instruction

### Outline of discussion:

#### Introduction

- Record keeping as a management tool
- Record keeping goals, systems, and options

#### Production

- The importance of measuring productivity
- Productivity measures in the beef operation
- Using production records for decision making

#### Costs

- The importance of cost control
- What does it cost to maintain a cow each year?
- What costs should be included?
- How to calculate cost of production

#### Profitability

- Revenue expectations per cow (covering costs)
- Profitability measures in the beef operation
- Strategies to improve profitability

#### Wrap up / discussion