

Happy Acres Beef Farm

Happy Acres has 15 Angus brood cows that weigh 1400 lbs. They are a cow/calf to finish operation that grazes on 50 acres. The grazing season is roughly 150 days. Hay is made on an additional 40 acres and the yield is roughly 2 T/ac.

Happy valley keeps two bulls and the breeding window is 60-90 days. Cows calve starting in early February and 20% of the cows don't wean a calf. All heifers are retained, rather than slaughtered for beef, and the voluntary cull rate for brood cows is less than 1 per year.

They market their steers through the local farmers market, but do not have enough product to meet local market demand.

1. Can you brainstorm potential ways to release the “deadwood” in this business that would reduce overhead and direct costs?
2. Can you find any potential “hidden costs” where this business is losing money but cash is not exchanged?

Possible answers:

Frame size of cattle – a large cow eats more

Cost of feeding – per cow is \$752 (figured on dry hay at \$150/T)

Grazing season longer than 150 days for profitability

Either destock or get more acreage for grazing

Calving season is not matched to forage availability

Should there be brood cows at all?

Is depreciation being calculated on brood cows?

Is it worth making hay on 40 acres? The hay land is not high yielding.

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What does it cost this farmer to make a bale of hay if they include labor, repairs and depreciation?

What if the farm raised stocker cattle?

What if the farm overwintered no animals?

What if the farm grazed all 90 acres and bought hay? Could run more cattle for local markets.

Two bulls not needed

Breeding window is too long. Ideally would be 2 heat cycles – 45 days up to 60

Cows who don't wean a calf should be culled, too expensive to carry

Culled brood cows could be ground for local markets

Heifers could be slaughtered for market sales

What does it cost in time/labor to attend local market? How does that compare with sales?

Are there other market channels that are less labor intensive?