

2016 OSCIA/GLASI Cow Calf Study

Douglas Yungblut, Ph.D., P.Ag.(Dist)
Yungblut & Associates Inc.



The Study

- Demonstrate that pasturing beef cows is an attractive alternative to cash crops in southern Ontario
- Gather data from 15 beef producers who are above average graziers
- Compare returns to cash crops using Ontario (OMAFRA) average data

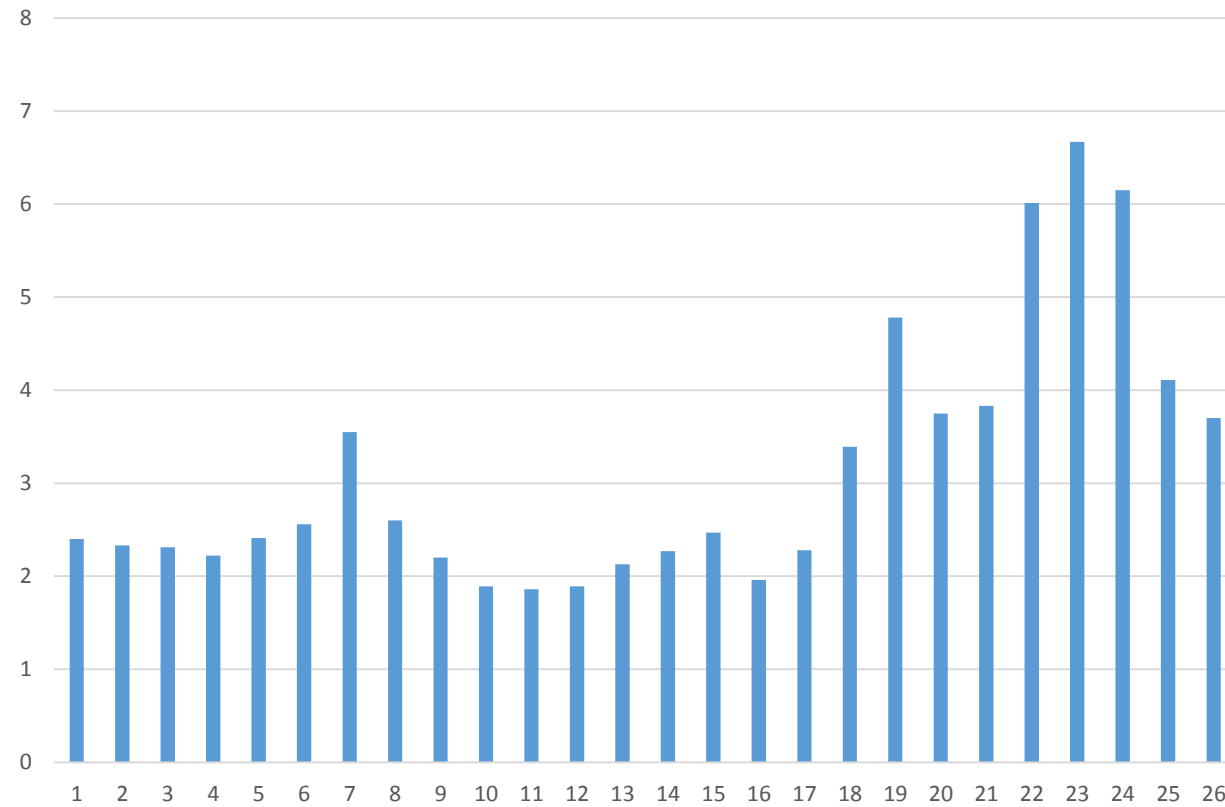
Change in Forage Acres 2001- 2011

Census year	Crop (Acres)				
	Alfalfa and mixtures	Other tame hay and fodder	Tame pasture	Total	Change
2001	1610809	893217	773650	3277676	
2006	1622370	900267	749719	3272356	-5320
2011	1346210	731701	648758	2726669	-545687

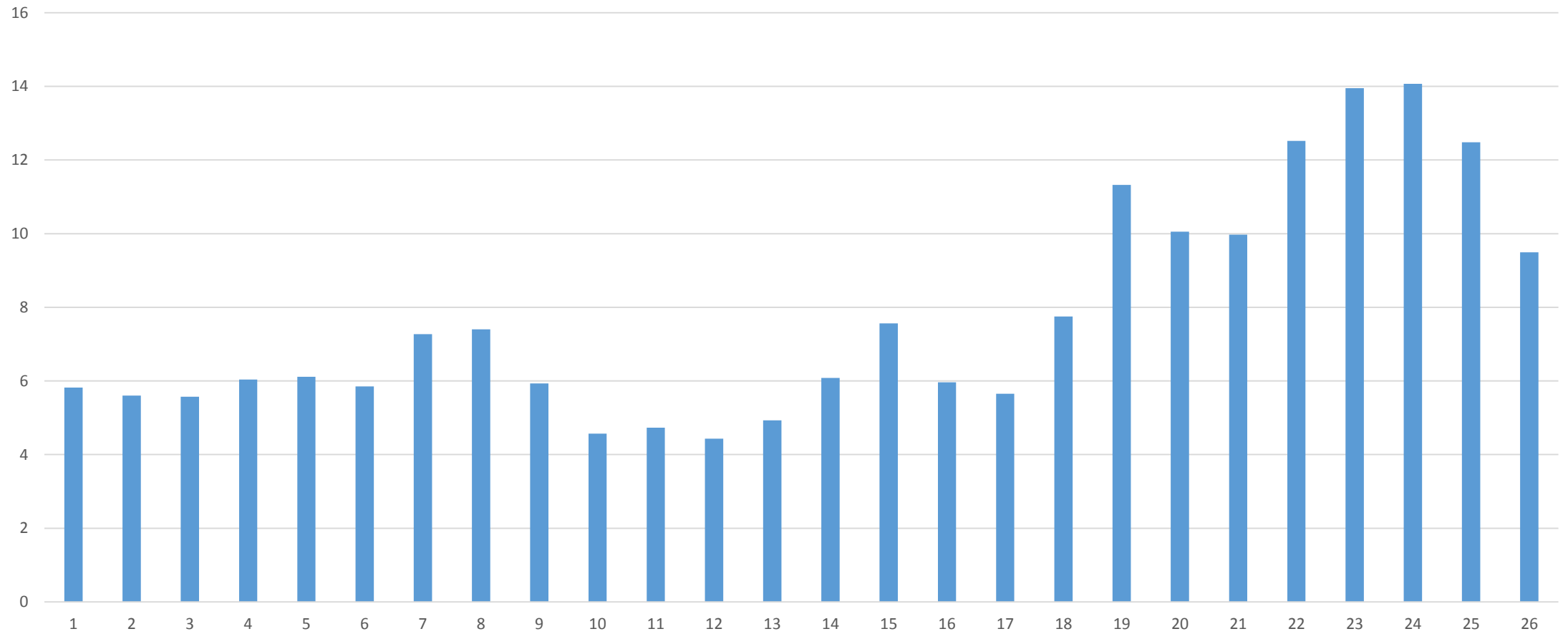
Change in Beef Cow numbers 2001-2011

Census year	Beef cows	Replacement heifers > 1 year	Total	Change
2001	376020	81932	457952	
2006	377354	48756	426110	-31842
2011	282062	41986	324048	-102062

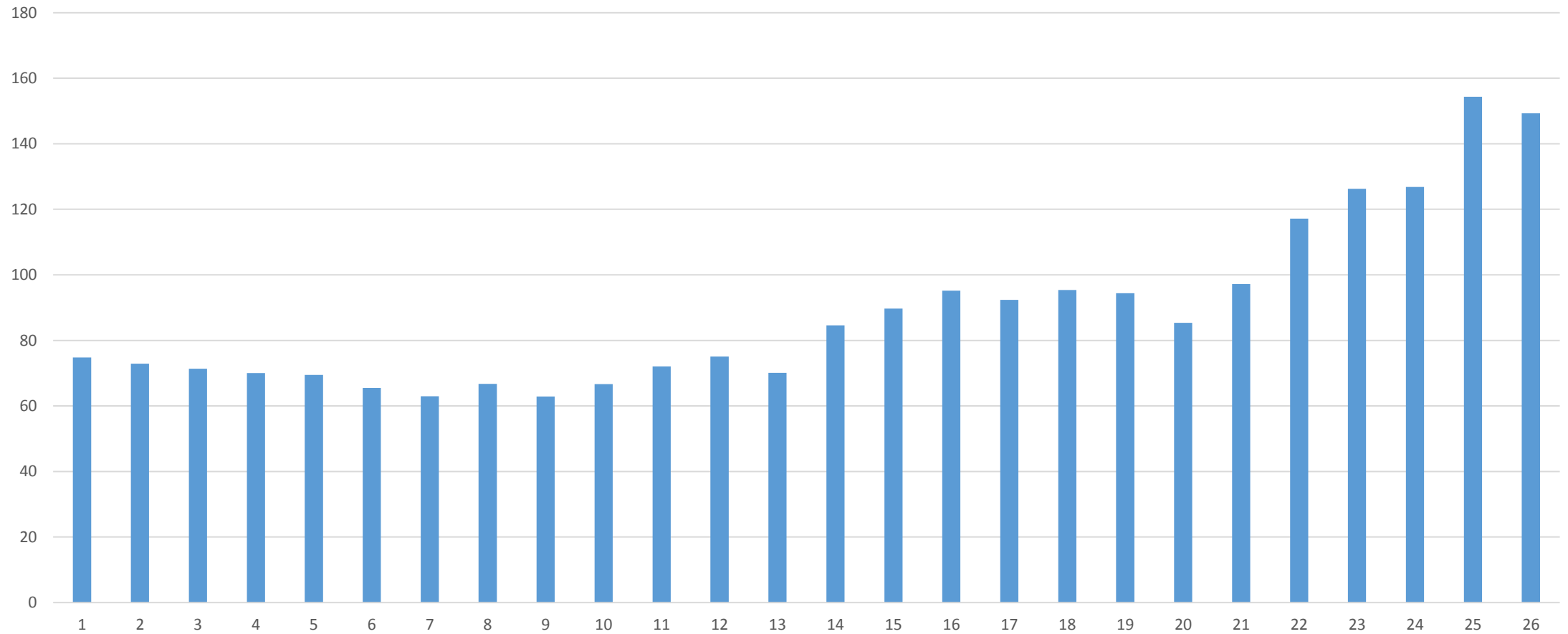
Corn (\$/bushel) 1990-2015



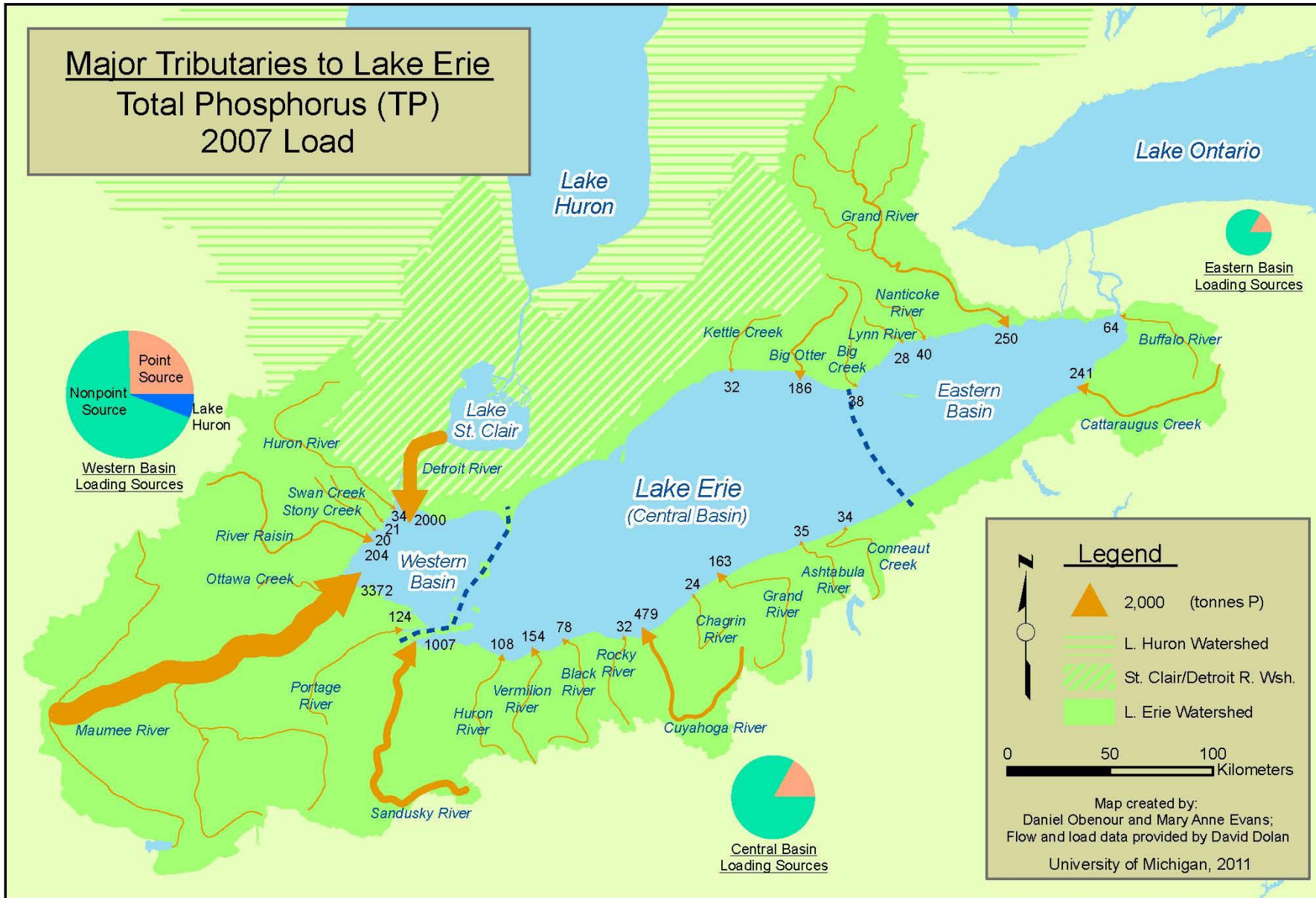
Soybeans \$/Bushel (1990-2015)



Average Cattle Price (\$/cwt) 1990-2015



Major Tributaries to Lake Erie Total Phosphorus (TP) 2007 Load



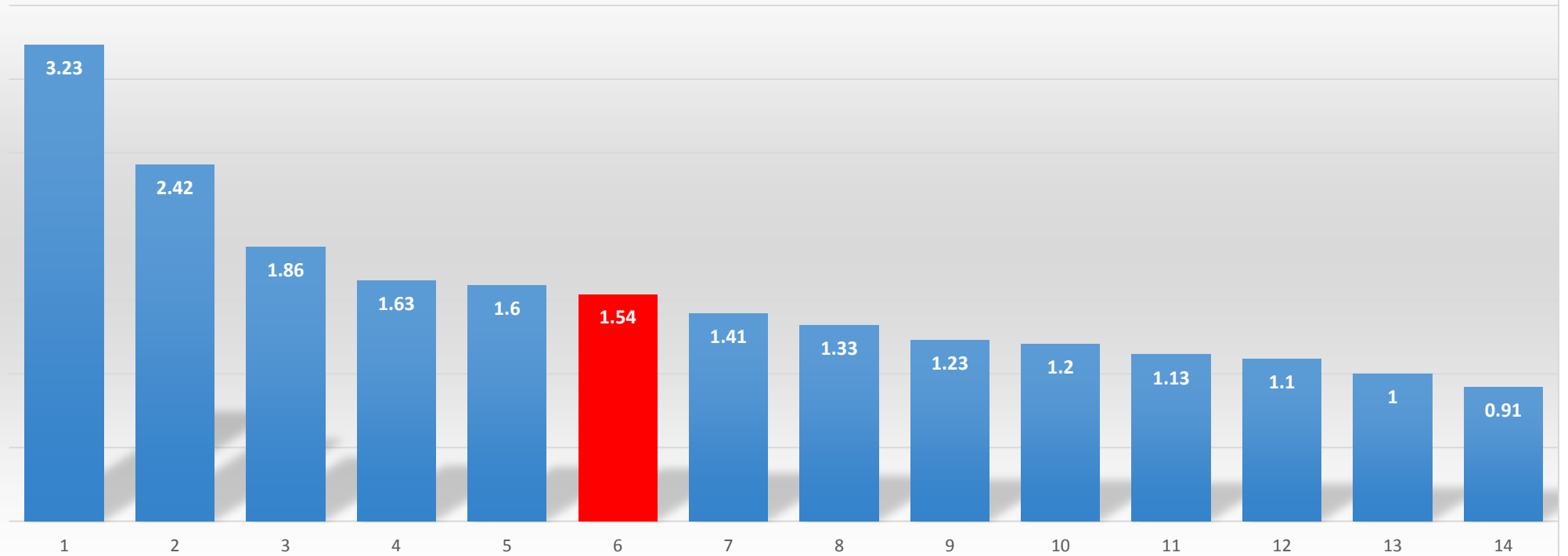
The Study Herds

- 15 herds selected
- Completed survey in February and March 2015
- Geographically distributed across south western Ontario
- Size ranged from 30 to 350 cows
- Farms from 88 to 2000 acres
- Land devoted to pasture from 33 to 650 acres
- Pasture defined as grass/legume
- Crop residues and cover crops also grazed

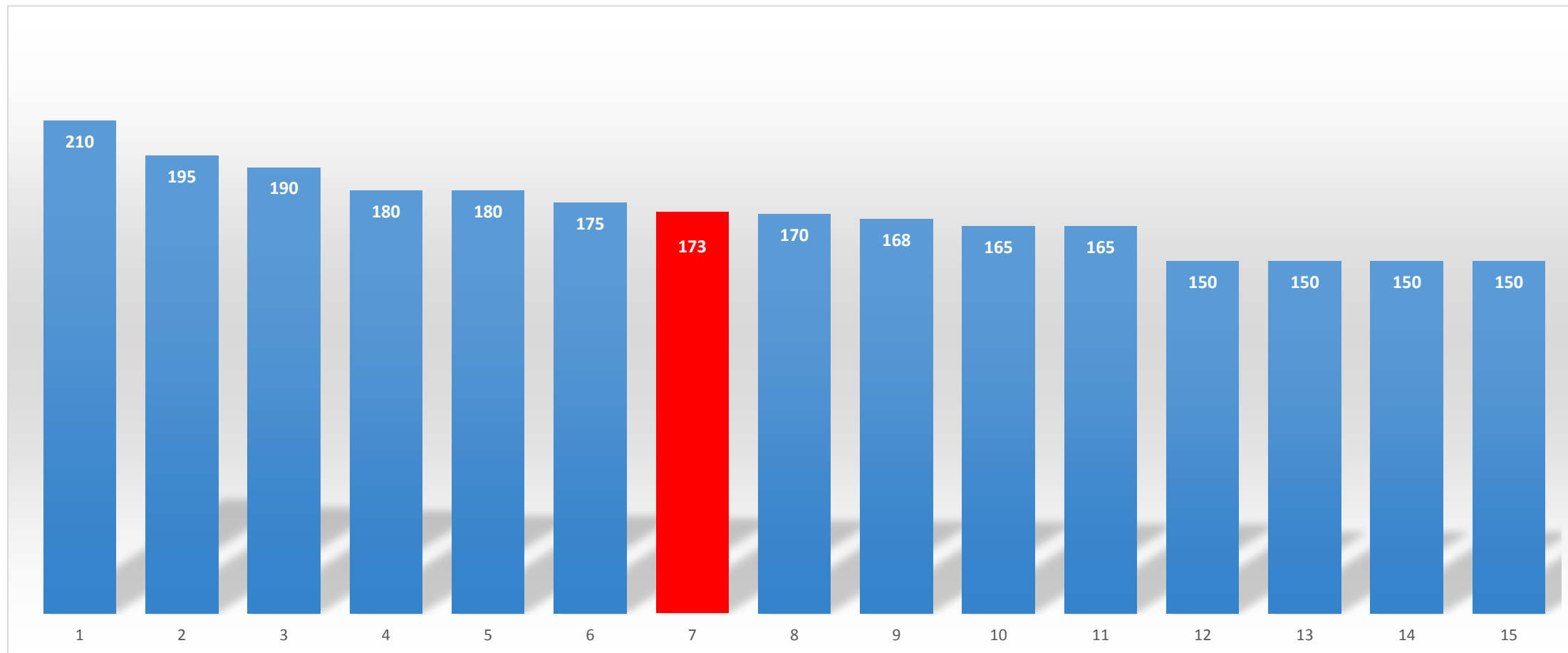
Geographic Distribution of Herds



Pasture Acres/Cow



Days Grazing Pasture



\$\$Economic Analysis\$\$

Annual Pasture Costs*

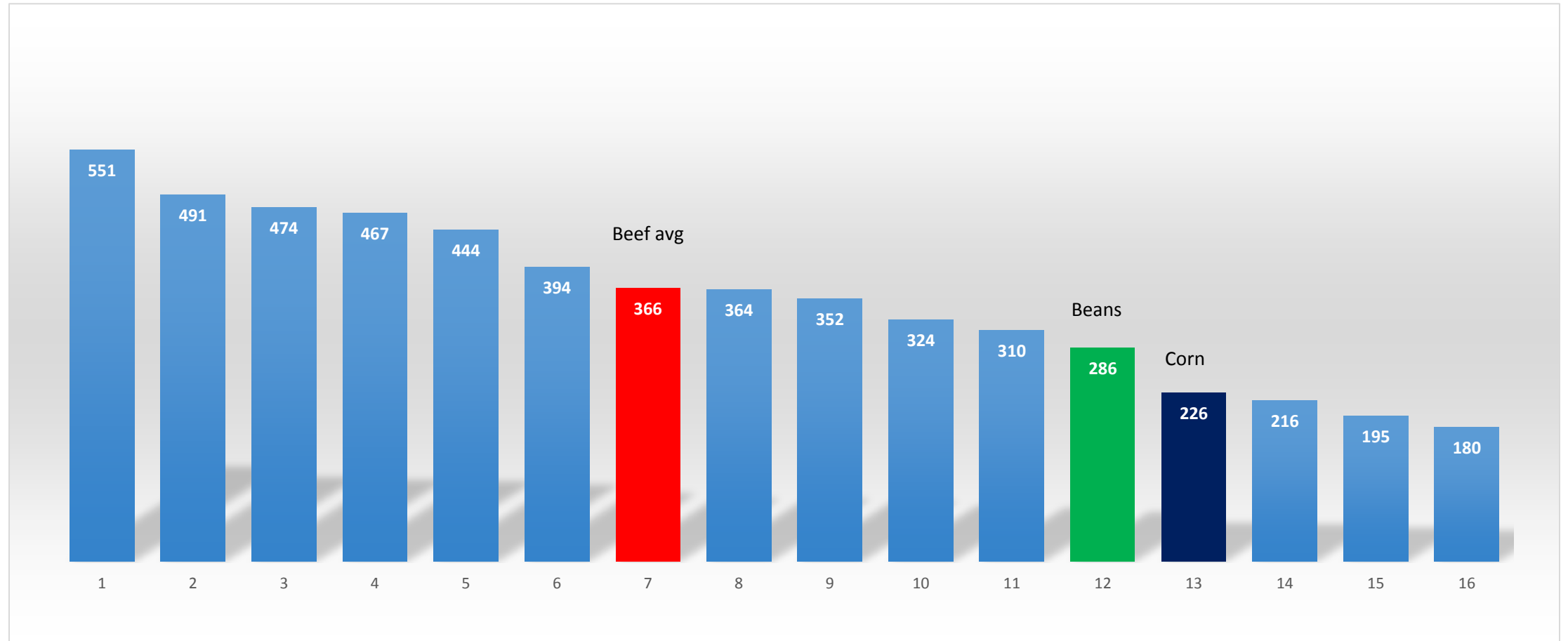
Item	Capital Cost	Life Expectancy	Annual Capital cost	Annual Maintenance Cost	Total Annual Cost
Fencing	100	20	5	5	10
Water	50	10	5	5	10
Seeding	300	10	30	30	60
	450		40	40	80

*Jack Kyle estimates

Beef Revenue Calculation

- Wanted to attribute revenue to pasture
- Took % of year cows grazed (e.g. $173/365 = 47.5\%$)
- Multiplied that times pounds of beef produced from calves (e.g. $600 \times .475 = 285$)
- Multiplied by average calf price for 2015 ($2.66 \times 285 = 758$)
- Divided by acres grazed
- Subtracted cost of \$80/ pasture acre

Average Net Revenue (\$/acre) Beef (13 herds) vs Cash crops 2015

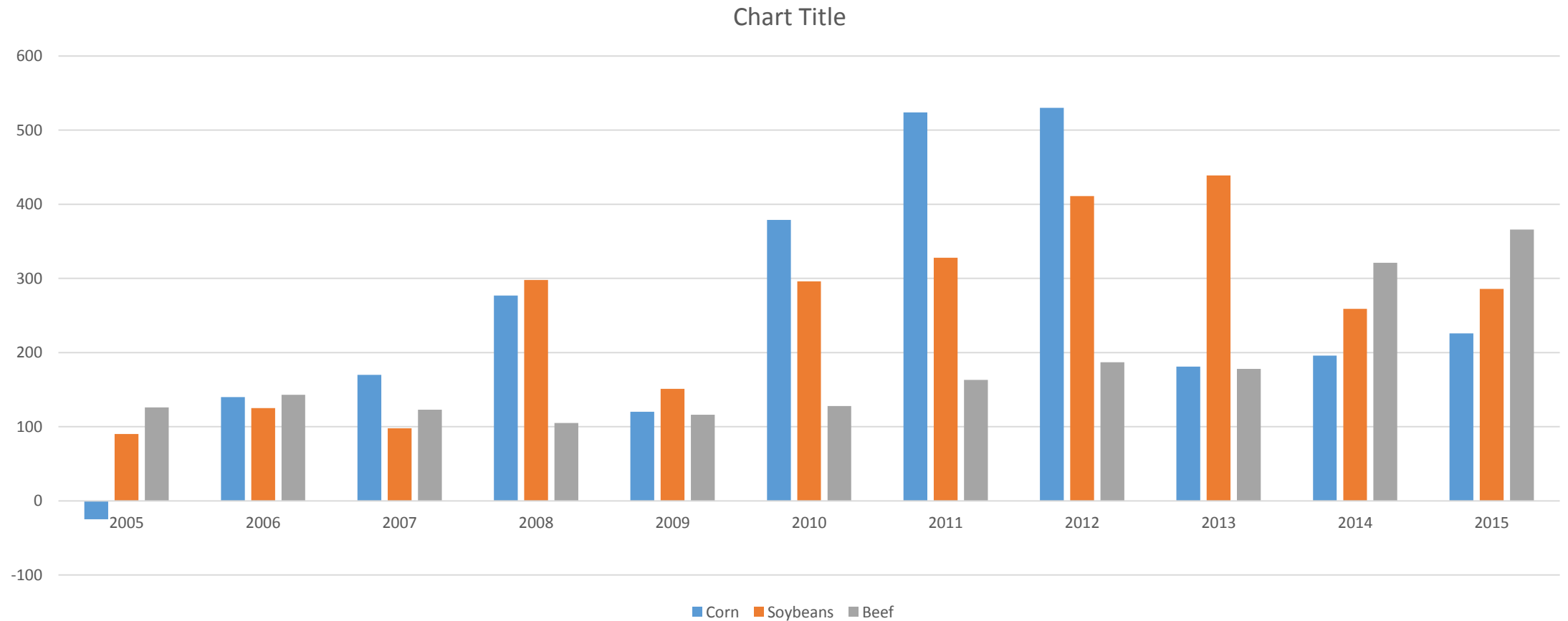


*Ontario average

Beef Revenue/Pasture Acre 2005-2015

Year	Beef Price \$/pound*	Net Revenue
2005	1.23	126
2006	1.33	143
2007	1.21	123
2008	1.10	105
2009	1.17	116
2010	1.24	128
2011	1.45	163
2012	1.59	187
2013	1.54	178
2014	2.39	321
2015	2.66	366

Net Revenue Beef vs Cash Crops 2005-2015



Summary

- In 6 of 10 years beef equaled or exceeded net revenue from corn
- In 5 of 10 years beef equaled or exceeded net revenue from soybeans

Thanks for your attention

