

Rewarding Investments

◆ NOT JUST AN EXPENSE

While feed costs are typically the largest cash outlay for a cow/calf operation, strategic supplementation should be managed as an investment rather than an expense. The ROI for improved nutrition shows up in virtually every economically important production measure.



◆ IT PAYS TO IGNORE STICKER PRICE

No matter how “cheap” a feed appears to be, it isn’t a good buy if it doesn’t meet nutritional needs or logistically fit an operation. And even if the product is a viable option, cost per ton simply does not give enough information to guide a buying decision. Consider, instead, evaluate cost per unit of needed nutrient, or cost per head per day to deliver needed nutrition. Think about these examples:

COST PER POUND OF PROTEIN

A) Pro-Lix, 35% protein, \$350/ton
 $(350/2000) \div .35 = 50¢ \text{ per pound of protein}$

B) Brand X, 16% protein, \$275/ton
 $(275/2000) \div .16 = 86¢ \text{ per pound of protein}$

COST PER HEAD PER DAY –Target 0.7 lb of Supplemental CP–

A) Mol-Mix, 32% protein, \$340/ton
 $(340/2000) \times (.7 \div .32) = 37¢ \text{ per hd per day}$

B) Cubes, 18% protein, \$230/ton
 $(230/2000) \times (.7 \div .18) = 45¢ \text{ per hd per day}$

◆ THINK TOTAL COSTS

Many things go into the actual cost of supplementing cattle. Besides the product itself, there may be costs for storage, handling, time and labor, waste, and transporting feed to storage and/or to the animals. To put just one of these in perspective, consider the direct transportation costs of making daily deliveries of a supplement:

Cows 10 miles away. Mileage rate of 50¢ a mile. Group of 40 cows.

$$[(10 \times 2) \times \$.50] \div 40 = 25¢ \text{ per hd each delivery (day) } \underline{\text{transportation ONLY}}$$

◆ WESTWAY’S ECONOMIC SOLUTIONS

Nutrient-dense, self-fed, minimal waste, with low capital investment: strategic supplementation at a low total cost.