

Iowa Beef Producer Profile:

A 2014 Survey of Iowa Cow-Calf Producers



IOWA STATE UNIVERSITY
Extension and Outreach



IBC101-A May 2015

IN FEBRUARY 2014 the Iowa Beef Center surveyed Iowa cow-calf producers regarding their current operations, plans for the future, and what they saw as the greatest opportunities and obstacles for the state's cattle sector. The goal of the survey was to better understand current management and marketing practices and identify the highest priorities for research, education, and policy. USDA's National Agricultural Statistics Service Upper Midwest Regional Office mailed cover letters and questionnaires to 1,030 Iowa cow-calf producers. All known operations with 200 or more head in inventory were surveyed. A stratified simple random sample of operations with 20-199 head in inventory was surveyed. The results reported are based on usable surveys from 243 cow herds.¹

¹Survey summary statistics on issues not discussed in this fact sheet are available in a report published by Iowa State University Extension and Outreach available at <http://store.extension.iastate.edu/Product/IBC101-pdf>.

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Photos by Erika Lundy and Denise Schwab. Cover photo by Erika Lundy.

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Producer Profile

The average age of respondents was 60 years with a range of 25-93, and 49% were between 55 and 70 years of age. About two-thirds of the respondents said their off-farm income was less than 40% of their total household income. At 54%, the majority of respondents reported having 41 or more years of experience raising beef cattle, while less than 1% indicated having 6-10 years of experience. Forty-two percent of respondents expect to be raising beef cattle for another 1-10 years while 39% expect to be raising cattle for another 11-20 years.

Operation Profile

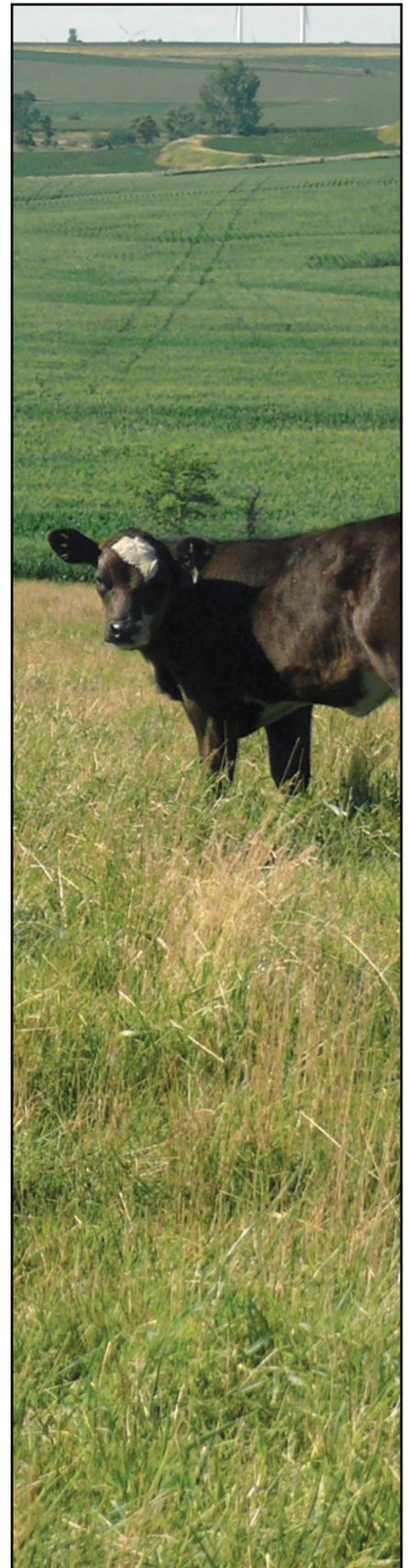
More than 83% of respondents described their cattle operation as commercial; 14% were commercial and purebred, and 2% were purebred only. Black Angus, at 71%, was the predominant breed of beef cows in respondents' operations. About 20% of operations had Simmental, Red Angus, crossbreds, or composite cows. Most cow-calf operations are sole proprietorships and more than two-thirds consider their cattle operation as the most important part, on an economic basis, of their overall farm operation. Operations represented in this survey averaged 154 beef cows. Most operations did not raise other livestock, but several operations did retain ownership of their calves through backgrounding or finishing. The average farm operation was 804 acres of cropland and 370 acres of pasture, with about two-thirds of the pasture acres being owned.

Production, Management, and Marketing

More than 75% of the calves were born in March, April, and May with weather and labor noted as the primary reasons why operations calve when they do. When making decisions to sell or keep feeding calves, respondents typically sell, regardless of price, when cattle are a certain age or compare expected feed costs with sale prices of cattle. Thirty-eight percent of respondents indicated they always background and 34% of operations always retain ownership through finishing, whereas only 15% of operations sell at weaning. Of the herds that marketed finished cattle, 98% were fed in their own feedlot.

When asked about the biggest problem with continuing to feed calves on their farm, respondents' top three answers in order were: wanting to receive revenue earlier rather than waiting until calves are finished, not having facilities or equipment, and not having enough feed supply (Figure 1). The least cited problem was establishing a relationship with a buyer.

When asked about the biggest problem with having calves fed with a custom feeder, respondents' top answer was wanting to receive the revenue earlier rather than waiting until after the calves are finished (Figure 2). This was followed closely by borrowing money to finance the feeding is too costly. The least cited problem was establishing a relationship with a custom feeder. However, 35% of respondents said they have not considered using a custom feeder for their calves.



Knowing how well animals perform and using this information to improve the breeding program was agreed on most by respondents as the biggest benefit of feeding calves (own or custom) (Figure 3). This was followed closely by using this information to improve production practices, and receiving a return for genetic improvements or value-added investments. Approximately half of the respondents said on average feeding calves is more profitable than selling them.

Calves are typically sold in November, December, January, or February, while yearlings and finished cattle are marketed more evenly throughout the year. Eighty-six percent of calves and 84% of yearlings are marketed at local auction barns while 65% of finish cattle are direct marketed to packers. More than 90% of calves and 80% of yearlings and finished cattle are priced in the spot cash market.

Cow-calf producers are continually challenged to produce calves that are not only acceptable, but also desirable in the industry.

Figure 1. Regardless of your experience with feeding weaned calves, what is your opinion on the following?

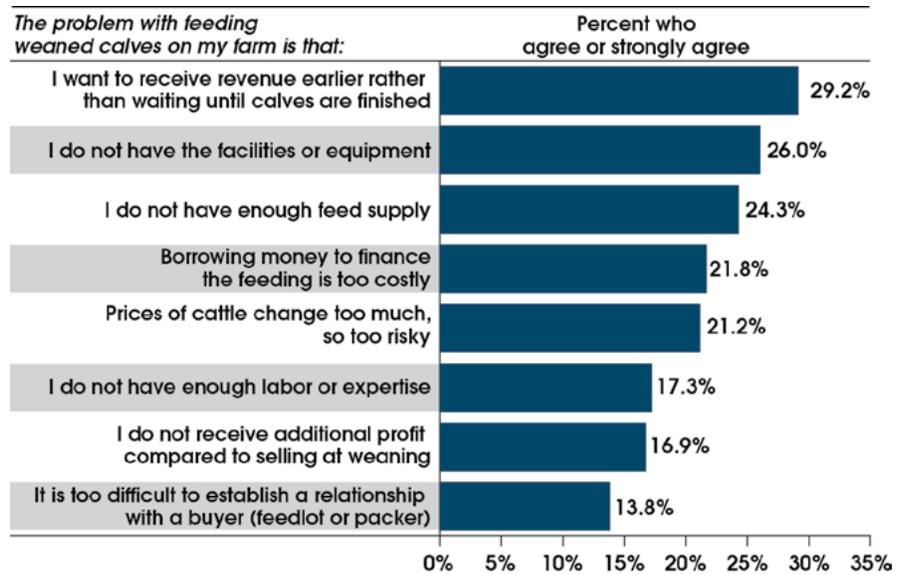
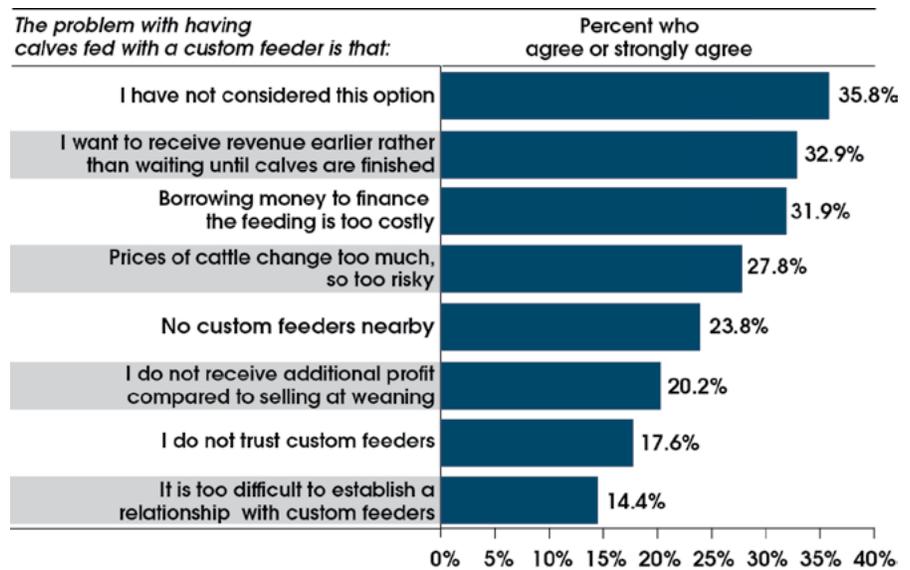


Figure 2. Regardless of your experience with custom feeding weaned calves, what is your opinion on the following?



Respondents indicated a variety of best management practices are used on their feeder cattle prior to sale. Ninety-five percent of respondents castrate their feeder cattle prior to sale and approximately two-thirds of respondents dehorn, implant, vaccinate twice, and wean at least 45 days prior to selling their feeder cattle (Figure 4).

Respondents make several efforts to increase information flow and management coordination up and down the supply chain. Of those with cow herds that sold feeder cattle, 90% provided buyers with a vaccination history and 58% provided implant history (Figure 5). Herd performance information and specific genetic/sire information was provided by the fewest number of respondents.

Cow-calf producers indicated the top three factors for improving their cost of production were feeding their own hay and silage, pasture and feed management, and productivity of pasture acres (Figure 6).

Figure 3. Regardless of your experience with feeding weaned calves, what is your opinion on the following?

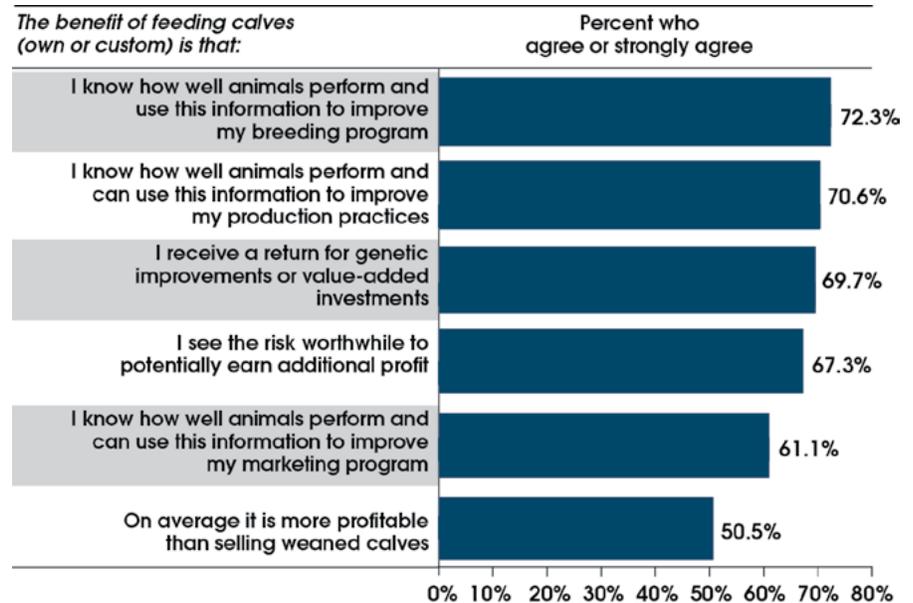


Figure 4. Please identify the production practices you use on your feeder cattle prior to sale.

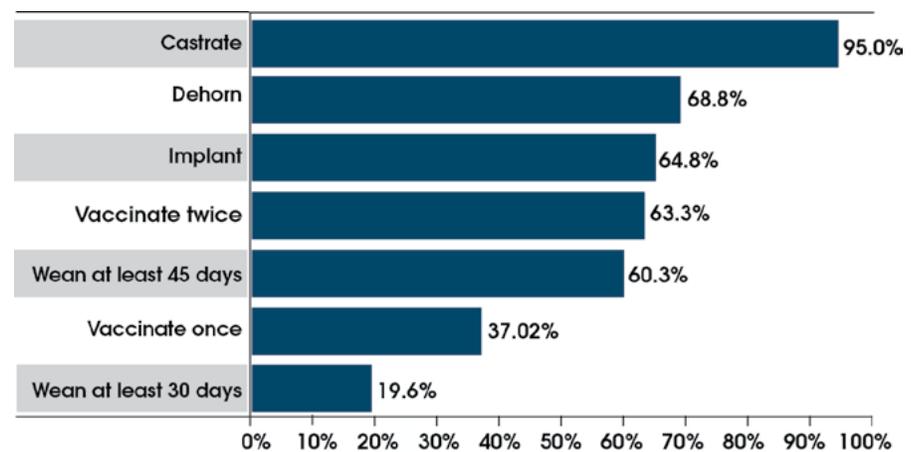


Figure 5. Please identify the information you typically provide to buyers of your feeder cattle.

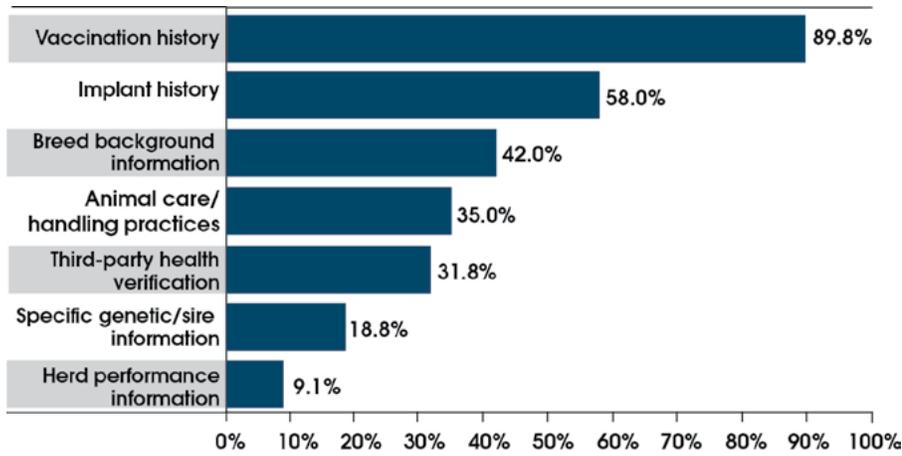
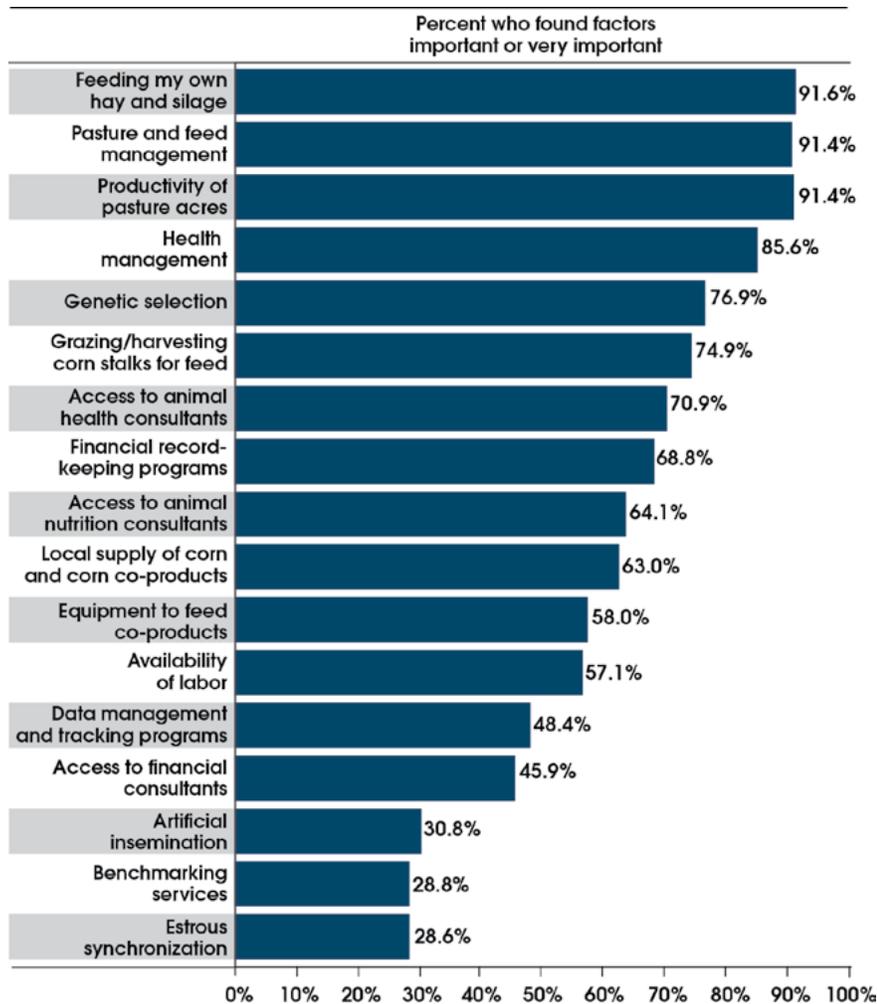


Figure 6. How important would the following factors be for improving cost of production on your operation?



Availability of labor ranked much lower on their list of factors for improving cost of production. This is likely because 82% of operations had less than 25% of the labor supplied by non-family, paid employees.

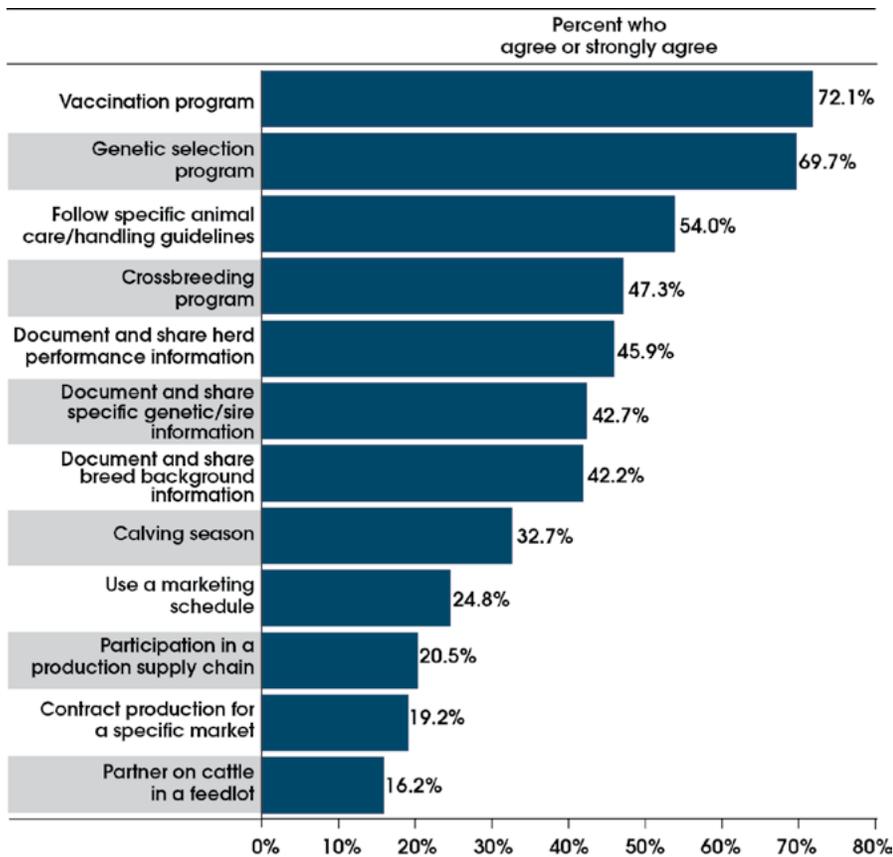
When asked what changes would expand their marketing opportunities, producers indicated vaccination and genetic selection programs were at the top of their lists (Figure 7). Respondents also agreed that following specific animal care handling guidelines and/or documenting and sharing herd performance information would expand their marketing opportunities, but were less interested in participating in a product supply chain and/or contract production for a specific market.

Synergies with Crop Production and Competition for Land

Iowa cow-calf enterprises produce the majority of feed for their operations. Eighty-one percent of respondents indicated they produce more than 75% of their feed needs, and another 12% produce 50%-75% of their feed needs. Forty-three percent farm between 500 and 1,999 acres. Corn for grain or silage is the most commonly grown crop (86%). More than 81% of respondents grow hay and nearly two-thirds of respondents grow alfalfa.

More than 90% of respondents utilize a grass grazing system on their farms. The two most identified grazing systems used are rotational grazing (59%) and continuous grazing (50%). In addition, over 86% of respondents have cattle graze cornstalks or mechanically harvest cornstalks for feed.

Figure 7. Do you agree or disagree that changing the following practices would expand your marketing opportunities?



The availability of pasture land for grazing cattle has come under increased demand in Iowa. Sixty-three percent of respondents indicated that non-cattle production competition affected their ability to buy or rent additional pasture or hay acres. The same percentage of respondents would consider using their pasture acres for crop/hay production in the future. The major competitors for buying or renting additional pasture or hay acres were conversion to row crop (80%), other livestock producers (37%), enrollment in the Conservation Reserve Program (31%), and recreation (23%).

Conclusions

The future size and structure of the Iowa beef cow herd will be determined by the individual decisions of more than 19,000 cattle owners. These owners are very diverse, not only in their operational characteristics, but also in their perceptions of the key factors influencing profitable and sustainable growth of the industry. Hopefully this survey will further inform discussions and ultimately improve the collective resource allocation decisions associated with cow-calf production in Iowa.



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