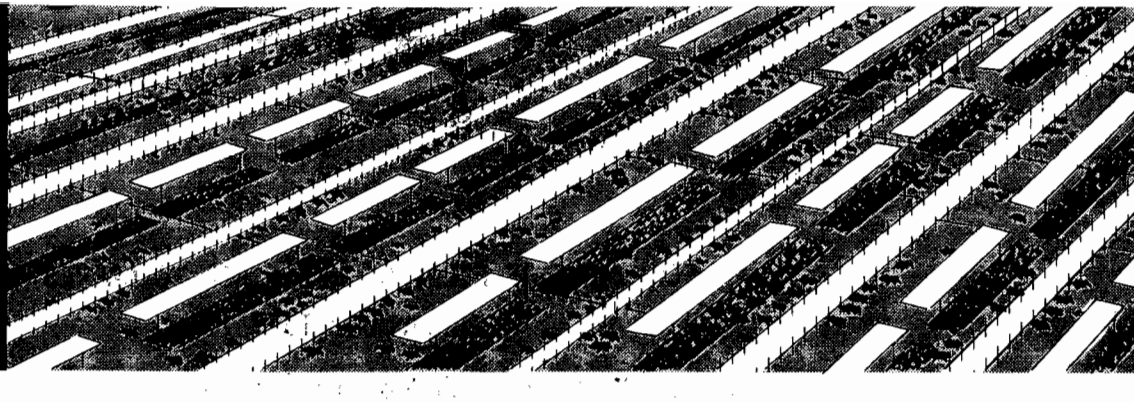
AGRICULTURAL EXTENSION SERVICE
UNIVERSITY OF CALIFORNIA

CATTLE FEEDER REPORTS

RIVERSIDE COUNTY



December, 1977

ECONOMICS OF FEEDING GREEN CHOP ALFALFA TO GROWING CALVES

Backgrounding calves on green chop alfalfa, where they increased their body weight from 350 to 650 pounds, was proven to be an excellent nutritional program for maximizing efficiency of gain during the fattening period.

If alfalfa hay prices were to drop to $45 a ton, the question arises as to the feasibility of returning to dry lot, green chop alfalfa feeding programs for growing cattle.

Current cost information prepared by Doyle Reed and Don Addis indicates the economic fallacy of considering such a program. Using $45 a ton as the value of alfalfa hay, the spread between the purchase price of a 350 pound calf (45¢ per pound layed in) and the sale of a 650 pound feeder (39¢ per pound) would have to move from a minus 6¢ margin to a plus 2.2¢ margin before the cattle would break even. Or, the cost of alfalfa hay would have to drop to $13.74 per ton ($4.58 on a green weight basis) if cattle were to be fed on a minus 6¢ margin.

The following calculations and cattle performance records are based on current economic information and past cattle close out data.

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Co-operative Extension work in Agriculture and Home Economics, U.S. Department of Agriculture, University of California, and Riverside County co-operating

ECONOMICS OF FEEDING GREEN CHOP TO CALVES

November 1977

This analysis is based on the following assumptions

Purchase 350# calves
Process and hold for 28 days on 72% concentrate ration
- Gain 1.1#/day - 30# total from purchase wt.
- Feed 8.25#/day - 230# total
- Feed cost $90 ton

Feed green chop for 200 days
- Gain 1.5#/day - 300# total
- Feed 15# dry matter or 50# green chop per day - 10,000# total
- Feed cost $15 ton ($45 ton for hay)

Sales based on 2% mortality, 677# final weight with 4% shrink, net selling weight 650#

	Per Head
Sales: .98 animals @ 650# = 634# @ .39	$ 247.25
Purchase 1 animals @ 350# = 350# @ .45	157.50
Net sales 284#	$ 89.75

Expenses:	
Feed: 28 days - 230# of 72% @ $90 ton	$ 10.35
200 days - 10,000# of green chop @ $15 ton	75.00
Total Feed	85.35
Processing	4.50
Care: 200 days @ .20 (Labor, plus depreciation on*)	40.00
Taxes: 228 days @ ½¢	1.15
Commission, Misc.	2.00
Interest $157.50 @ 9% for 228 days	8.85
Total cost	$ 141.85
Net (loss)	($ 52.10)

The cost of green chop would have to drop to $4.58 per ton for this operation to break even. Equivalent to $13.74 per ton for hay.

-Or-

The operation would break even if the feeders could be sold at $47.22/cwt., a $2.22 positive margin instead of the 6¢ minus margin.

* Tractors, choppers, self-unloading feed wagons, corals, etc.)

Sincerely,

Don Addis

Donald G. Addis
Farm Advisor

DGA/bk
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