COW RECORDS AND COST OF PRODUCTION
KEEP IT SIMPLE!

QUESTIONS TO ASK WHEN KEEPING RECORDS

- Why do we keep these records?
- What value does it provide?
- Does value exceed cost & effort?
- Could it be made more simple?
INDIVIDUAL COMMERCIAL COW PRODUCTION RECORDS

• Individual Id. Visual/Electronic
• Way to Record Information
  – Cow Carries Record
  – Electronic or Paper Option

COW CARRIES RECORD

• Individual Identification
• Color codes, Number sequence
• Tags, Tag Notches, Ear Notches, Clips, etc.
PAPER OR DIGITAL RECORD

- Cow Record Software
- Cloud Based Software
- Spreadsheet Tools
- Clipboard and Paper

DATA THAT IS OFTEN RECORDED

- Cow Age
- Cow Location
- Calf Birth Date
- Calf Delivery Score
- Sex of Calf
- Calf Birth Weight
- Calf Delivery Score
- Calf Weaning Weight
- Health Issues
- Udder Score
- Cow Attitude @ Calving
- Breeding Date
- Pregnancy Status
- Cow BCS at Weaning
- Cow Weight at Preg Test
- Calf Weight as a % of
- Cow Weight @ Weaning
- Shedding Score
- Location
- Etcetera
QUESTIONS TO ASK WHEN KEEPING RECORDS

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INDIVIDUAL COW RECORDS
YOUR THOUGHTS?

Photo Credit – Troy Walz
WHOLE HERD RECORDS

- Cow Inventory
  - Breeding, Weaning, Pregnancy Testing, Calving, Herd Moves, Death Loss
- Pregnancy Rates
- Pregnancy Loss
- Calf Death Loss

COW RECORDS AND COST OF PRODUCTION

Photo Credit Troy Walz
TIME TO RECORD INDIVIDUAL RECORDS VERSUS VALUE TO THE BUSINESS

Accrual cost accounting by enterprise, financial analysis and business planning often has much greater value per hour spent for commercial cow calf producers than the keeping of detailed individual cow records.

ECONOMIC ANALYSIS VS. FINANCIAL ANALYSIS

Economics asks is it profitable? Finance looks at the money and asks how does it flow?
ECONOMICS ANALYSIS

Where is value being created?
Where do costs occur?
How could I capture more value?
Commodities are valued at market price when they move between enterprises. Takes into account opportunity costs.

FINANCIAL ANALYSIS

“It costs what it costs.” – Dick Whittman
Everything is tracked and booked at cost.
Enterprise analysis is done on a cost basis.
Commodities and goods move between enterprises at cost.
UNIT COST OF PRODUCTION

- Combines both input costs and production
- Measures impact/benefit of inputs

Unit Cost of Production

\[
\text{UCOP} = \frac{\text{Cost}}{\text{Units Produced}}
\]
TWO TYPES OF COSTS

• Direct Costs (Variable Costs)
  • Health Products
  • Feed and Supplements

• Overhead Costs (Fixed Costs)
  • Labor
  • Equipment
  • Horses
  • Buildings

WHAT ARE THE TOP 3 COSTS FOR MOST RANCHES?

Photo from agrisk.tamu.edu/agrisk/quickbooks/index.php
TOP 3 COSTS FOR MOST RANCHES?

- Feed
- Labor and Equipment
- Cow Depreciation
Most Management Decisions Influence UCOP!!!

DIRECT COSTS AND THE POINT OF DIMINISHING RETURNS
EVERY DIRECT COST DOLLAR INTO THE COWS, SHOULD RETURN MORE THAN A DOLLAR!

MOST OPERATIONS HAVE MORE THAN ONE ENTERPRISE.

WHAT ENTERPRISES ARE PART OF YOUR OPERATION?
Break the Ranch into Enterprises

VALUE IN KNOWING UCOP
Planning and Projecting
• What are my costs going to be?
• What are prices expected to be?
• What can I influence and change?
• Where are points of leverage?
UCOP SUMMARY THOUGHTS

• UCOP is valuable for decision making
• Most decisions influence UCOP
• Production records and enterprise analysis is needed for UCOP
• UCOP should be used with a systems approach to decision making

2020 UCOP WORKSHOPS ARE BEING SCHEDULED

Photo Credit Troy Walz
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