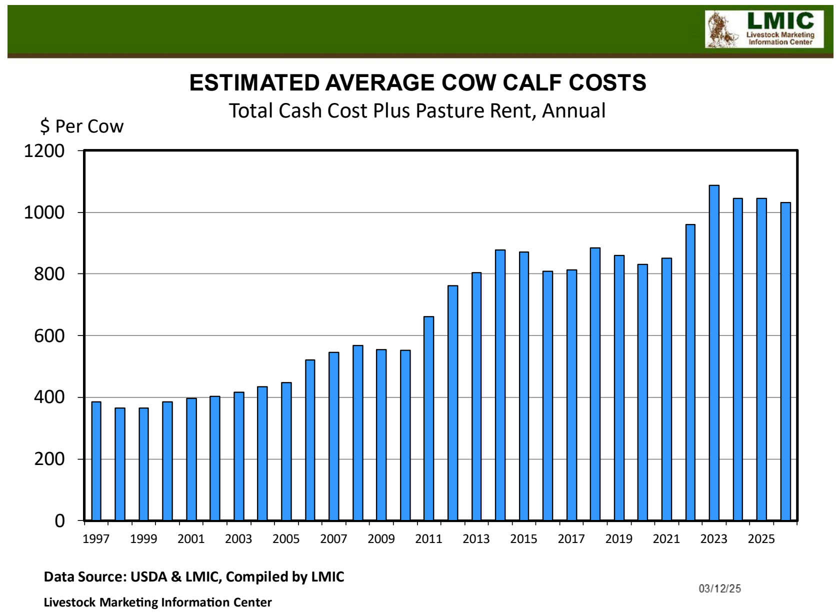
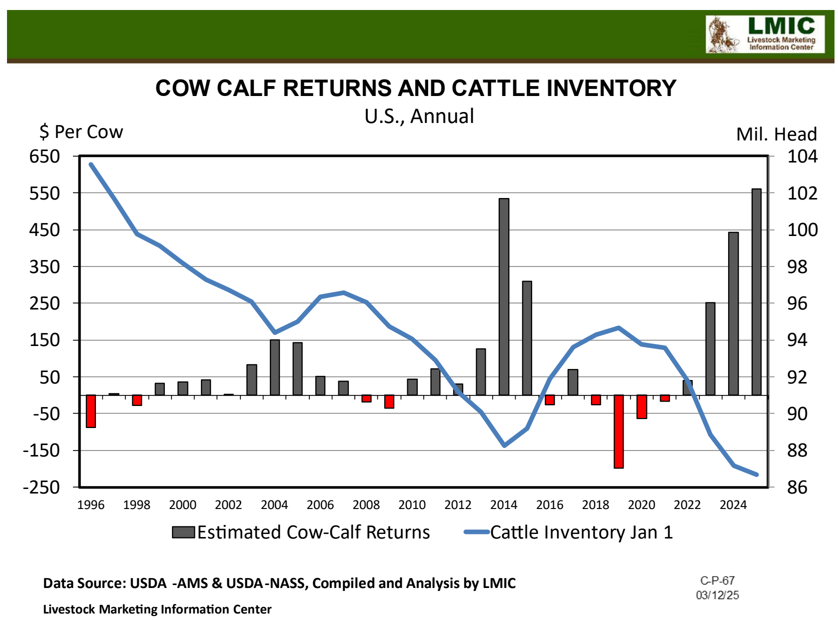
The Importance of Recordkeeping in a Good Year

Prices for steers, heifers, replacements, and cull cows in Florida are 9%, 7%, 22%, and 16% higher year over year. As more heifers are retained and culling slows, the value of female and feeder cattle will increase. The next few years are expected to be highly favorable for cow-calf producers in terms of revenue.





In terms of profitability, production costs are also high, affecting how large profits could potentially be in the current market. Figure 1 shows the 2025 estimated average cow-calf costs (cash costs + pasture rent) to be $1,045/cow. Production costs are influenced by factors that are essentially out of a producer's control. However, producers do have control over how they manage production costs by keeping accurate production records that justify certain management strategies. Record keeping also aids in revealing where there are opportunities to adjust management strategies to capitalize on the current market. Examples could include selling bred cull cows instead of open cull cows, weaning lighter/heavier weight calves, selling/retaining bred heifers rather than retaining/selling, or destocking to improve forage production and restocking when prices decline. The goals and resources of every operation are different. Record keeping can help in knowing how and where to adjust resources to meet or exceed goals in good and bad years. Returns for cow-calf producers are forecasted to be $560/cow in 2025. This forecast is similar to 2014 returns when production costs were 20% lower, and expansion has hardly started. Despite higher production prices, the next couple of years are expected to bring positive returns.

Managing inputs and record-keeping should always be a priority. Records provide insight into how much money is being earned and spent, on what, and why. Analyzing the "why" behind production costs and marketing strategies can validate management decisions and reveal opportunities for improvement. Raising cattle often involves "spending a little to make a little," meaning there is a difference between a necessary investment and an unnecessary expense. Having a little extra spending money does not necessarily mean extra money has to be spent. Eventually that extra income will be needed to offset unprofitable years. Simultaneously, not reviewing current strategies would mean missing an opportunity to implement purposeful changes while the resources are available to do so. Now is the time to make "penciled-out" decisions that can improve the long-term production and profitability of an operation.

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See this update and other helpful resources online at https://rcrec-ona.ifas.ufl.edu/about/directory/staff/hannah-baker/
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