



# RIPPE GELBVIEWH



## *TAKING PRIDE IN OUR CUSTOMER'S SUCCESS*

A Publication of Rippe Gelbvieh

October 2006

### HUDDLE UP!!!

Generally, the success a team achieves on the field is directly correlated to the game plan implemented by the coaching staff. Not surprisingly, the success and revenue generated from a cowherd is directly correlated to the planning implemented by the management. I know that after harvest and weaning most farm and ranch managers evaluate their business. This year I encourage each and every one of you to evaluate the direction of your cowherd and ranch. Instead of shooting from the hip when it comes to your cowherd, implement a strategy and written plan that will allow for you to be profitable during the rough times. As you evaluate your operation this year, keep in mind: 1. Beef production is still a commodity business. 2. Maintaining a low cost of production is still the key. 3. Feed cost accounts for over 50% of the variation in profit among herds. 4. Cow/calf producer's margins will decrease significantly in the next few years with the expected increase of inputs and decrease of

outputs. I feel it is time for all cow/calf producers to ask themselves the tough questions dealing with their cowherd.

- What is your role in the beef business?
- What is your advantage over your contemporaries?
- What is your cost of production?
- How much does it cost you to raise a pound of beef?
- Are your cows working for you or vice-versa?
- Do you calve in-sync with nature?
- Do you have the "right size cows?"
- Do you have a crossbreeding plan?
- Is it working?
- Is your bull supplier helping you implement a crossbreeding plan or is he looking out for himself?

Some of these questions are very complex and complicated. Hopefully, this newsletter will help you begin to implement part of your plan. On the next two pages, I discuss a couple steps that can get you started. Ignoring the problems in your program, rather than dealing with them, may be the easiest route but they will not go away. In fact, management is the most crucial to your bottom line. Please, give your cowherd some attention from a management standpoint and it could make your life easier from a workload standpoint.

Hello everyone, the strong calf prices has definitely been reassuring. I am finishing my last semester of college at Colorado State University. Please be careful during the harvest season and take some time for your family. I hope you find some valuable insight in this newsletter. If you have any questions about the newsletter, or have some special request for other information, feel free to give me a call anytime at (316)323-4874.

Sincerely,  
Dustin Rippe

The only way to  
drive cattle fast is  
slowly.

• Texas Bix Bender

# Enough is Enough

Our current cow size is big enough or already too big. It is time to WAKE UP and evaluate your current operation. Everybody is constantly telling me that bigger cows increase your output. That statement is flat wrong. Outrageously high feed costs may be a blessing in disguise. I sat in a conference last year and listened to a distinguished professor tell me that the commercial cow/calf producer needs to quit looking at lowering their costs, but look for ways to increase their output. I have thought about this for one year now and I have only come up with one reasonable reply to his statement. "GO BACK TO THE RANCH." I

feel that he has been away from home for too long. I feel that the commercial cow/calf man has done an outstanding job of measuring the dollars of output generated because it is easy to gauge. In contrast, the dollars of input, especially feed costs, are much more difficult to get a handle on because we typically don't measure this, and price fluctuations can vary from year to year. Because of this, I decided to look at this from another perspective. Cows consume 2% of their body weight when they are dry and 2.5%-3.5% of their body weight when they are lactating. Therefore, I decided that over the course of a year, a cow would consume 2.5% of her body weight. The amount of feed

available on a ranch does not change if you have big cows or moderate cows. In my example, I compared a 1500 lb. cow herd to a 1250 lb. cow herd. How many more cows could a ranch run if their cow size was reduced to 1250 lbs. versus 1500 lbs? I took  $1500 * 2.5\% * 100$  cows. This equals 3750. Then I took  $3750 / (1250 * .025)$ . This equals 120. Therefore, on the same amount of feed you can run an additional 20 cows. There are a few facts most cowboys understand: 1. A bigger cow will generally wean a larger calf. 2. A smaller cow will generally have a higher conception rate. I am also told that a larger cow will generate more revenue when sold as a cull cow. That is true. However, if you are culling 10% each year, you are selling more cows and this advantage becomes a wash. Rippe Gelbvieh has recognized this and we will have bulls on this year's sale that will produce a more moderate size cow and increase your bottom line. In fact, according to the MARC data among the most popular breeds, Gelbvieh is the only breed to reduce the mature weight of its cows in the last 15 years. A 1250 lb. cow will put \$90 dollars more profit per cow in your pocket versus a 1500 lb. cow. That is real. Now that I think of it, maybe that professor was right, the commercial cow/calf man does need to look at increasing their output. This can be done by simply reducing your cow size.

	1250 lb. cow herd	1500 lb. cow herd
Number of cows	120	100
% weaned per cow exposed	93%	90%
Wean wt. as % of cow weight	46%	43%
Weaning wt. at eight months	575	650
Price per cwt calculations:	\$119.00 ( $120 * .93 * 575$ )	\$112.00 ( $100 * .9 * 650$ )
Total weaning wt.	64170	58500
Total calf revenue	\$76,362.30	\$65,520.00
Income from cull cows (10%)	\$7,500.00	\$7,500.00
Total Income	\$83,862.30	\$73,020.00
Profit Advantage of smaller cows:	<b>\$10,842.30</b>	
Added Profit per cow/year!	<b>\$90.35</b>	

28 bulls made the second cut. This is the highest quality and most uniform pen of bulls we have ever offered. We will continue to develop and test these bulls so they can meet your expectations. Our bull sale will be the 2nd Saturday in March

## Why do you do what you do?

With the fall season upon us, the annual job of weaning the calves from our spring calving cows comes. With this, the question of when to wean and whether to creep feed or not has to be decided. In my mind, these are two separate questions, but in ways, they do have an effect on each other. Dustin asked me to write an article that dealt with weaning, since I was opinionated about this subject and it fit the season. He was right, I was very opinionated on this 3 or 4 years ago but over time we gather more information and continue to learn. Even us old guys can still learn a little once in a while. These two questions are not that simple to answer, because each and every operation is unique in its own way. Consequently, I feel that you need to spend more time evaluating your labor availability, feed resources, and marketing options.

First of all, I wanted to quickly touch on the topic of weaning early or creep feeding. The more I look into this topic, the more I realize it is six one way and half a dozen the other. They both take pressure off pastures and your cows are more content. The cost of gain is relatively the same at around \$.37/lb. Some research has also shown that especially with continental cross calves you can increase the percentage of calves grading choice by creep feeding, and many people believe that weaning is easier if your calves are familiar to dry feed. However, my concern with creep feeding lies with your replacement heifers calves. If you are marketing all of your heifers as market heifers, it is justified to creep feed them. On the other hand, if you retain heifers for replacements, this might not be the case. The extra weight on replacement heifers is unnecessary and has very little effect on the profitability

of your operation. Say you keep 40% of our heifers as replacements, which is 20% of your calf crop. With this in mind, you have actually increased your cost of gain from creep feed by 20% or from \$.37/lb. to \$.445/lb of gain. This added cost is difficult to recoup from the market. Research has also shown that replacement heifers that have been creep fed will have decreased milk production for their first two calves.

Maybe more importantly, you as a manager and CEO of a business need to evaluate the bottlenecks in your operation when it comes to labor availability, feed resources, and marketing options. The key of a manager is to maximize his available labor at all times of the year. Consequently, this may be the most important and least discussed reason on when you decide to wean your calf crop. You must also study your feed resources. Do you have enough high quality forage available? I always joke with Dustin that I have never lost money feeding cattle, but some years I did not receive anything for my corn and hay. Sometimes you need to simply do what the market is telling you to do. Along with this, you also need to understand how your calves fit into the market. Each cowherd is different. When you wean could simply be most affected by when your calves need to reach their endpoint and marketing them for that time. In conclusion, the topic of when to wean and whether to creep feed or not is much more difficult than I assumed. I do not feel there is a right or wrong answer. However, I feel each individual operation can have a right and wrong answer. If you simply take the time to evaluate your operation, the decision will come to you. Good Luck!

## Caught looking at Rippe Gelbvieh Cattle?



Sometimes you just happen to show up at the right time. That happened to me this summer. **DAD TIPPED THE TRACTOR OVER!** There is a reason I had to put this in the newsletter. When I was a kid and was just beginning to drive the tractor, I came home from picking up bales and I ran the saddle-tank on a tractor into a tree. I thought the world had come to an end and I would never be allowed to help anymore. However, I was still able to help, but dad took the broken tank off, set it by the road, and we drove the tractor around for the rest of the year with just one tank on. Neighbors and friends always asked what happened. My dad would then reply, "Ask Dustin." I learned a lot from that experience. However, my dad tipped over the tractor this summer and nobody found out. I thought to myself that it was not fair, so I decided to fix this and put a picture of this occurrence in the newsletter. Payback definitely feels good. I would also ask that each and every one of you make sure you stop him and ask him how this happened. Sorry Dad.

# Rippe Gelbvieh

WE ARE ON THE WEB AT  
[RIPPEGELBVIEH.COM](http://RIPPEGELBVIEH.COM)



## Mission Statement:

"To produce superior Gelbvieh and Balancer seedstock based on economically important traits, which provide more profitability for our customers, and ensure the consumer a very satisfying eating experience."

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"Those who work the land will have  
abundant food,  
but those who chase fantasies will  
have their fill of poverty."  
Proverbs 28:19

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For more information about our program call Duane Rippe, (home) 402-324-4176, (cell) 402-200-0096 or Dustin Rippe, 316-323-4874 or online at [rippegelbvieh.com](http://rippegelbvieh.com)

## Rippe Gelbvieh

6775 Road D

Hubbell, NE 68375

Phone: 402-324-4176

Website: [rippegelbvieh.com](http://rippegelbvieh.com)

*Taking Pride in our Customer's Success*