

## Managing Native Grass Forages

Dr. Patrick Keyser, Professor and Director, Center for Native Grasslands Management

### Going Broke Slowly – or Why Summer Forages Matter

In every business enterprise, including livestock, we hear about the “bottom line.” But an important part of figuring the bottom line is the “top line.” In other words, how much did it cost me to produce a \$1 of beef? If the answer is at or near \$1, you have either a failing business or a very expensive hobby. Neither is a good idea. To avoid going broke slowly in raising cattle, the cost of gain should always be considered.

The steep increase in fertilizer prices since 2006 has impacted production costs of many traditional forages. A recent analysis conducted at the University of Tennessee using January 2011 input costs reinforced this point. The cost of hay production for a summer annual (sorghum-sudangrass hybrid), bermudagrass, and a native warm-season grass (big bluestem-indiangrass blend) was strongly influenced by fertilizer costs. The high yielding, low-input natives could be produced at \$53/ton versus \$75/ton for the high yielding, high input bermudagrass and \$83/ton for the annual. Using the same input costs, the lower yielding cool-season forage, tall fescue, cost \$123/ton to produce.

For grazing, the results were similar. Natives produced gain more cheaply (\$0.31/lb) than either bermudagrass (\$0.54) or summer annuals (\$0.75). All of these figures are being driven by two main factors, yield per acre and fertilizer costs. Indeed, at nitrogen prices of \$400/ton, the rate of return on both summer annuals and bermudagrass were negative. Natives maintained positive returns with nitrogen prices up to \$800/ton. Remember, producers cannot influence market prices, just their costs of production.

This analysis did not take into account the cost of not having good summer pasture. However, another evaluation conducted at Texas A&M sheds light on this question. Their analysis of 15 years of data collected under the National Cattlemen’s Association’s Standard Performance Analysis program indicated that the top performing cattle enterprises (+6.6% return) were distinguished from those that performed the most poorly (-7.4%) by the cost of purchased feed. Those at the bottom were not well prepared for drought cycles and, as a result, purchased 44% more feed than those in the top group.

It is likely that the costs of not being able to cope with droughts like those much of the Southeast experienced during 2007, 2008, and again in 2012, impact cattle enterprises in many ways beyond purchased feed costs. Pasture reestablishment, selling cattle into weak markets, and repurchasing cattle in high markets following the drought all will have lasting effects on the bottom line.

Native perennial forages provide a cost-effective, reliable way to produce cheap feed, bridge the summer forage gap, and minimize the impact of severe droughts. To learn more, see UTIA publication, *Economic Implications of Growing Native Warm-Season Grasses for Forage in the Mid-South* (SP731-E) available on line (<http://nativegrasses.utk.edu>) or visit (<http://nativeforages.utk.edu>) for an economic decision support tool that will allow you to evaluate summer forage options.