

### Making Drought Related Feeding Decisions

Cattle producers are facing difficult decisions this year in regard to providing adequate feed for their herds. Work to avoid making decisions based on panic. Make decisions based on facts. Calculate the cost of available alternatives before making a decision. The following tables give examples of how costs can vary under different conditions.

<b>Daily Feed Cost With Varying Levels Of Corn Replacing Hay</b>				
	<b>Daily Ration Cost</b>			
<b>Hay \$/Ton</b>	<b>Hay 20 lbs. Corn 0 lbs.</b>	<b>Hay 18.2 lbs. Corn 1 lbs.</b>	<b>Hay 16.4 lbs. Corn 2 lbs.</b>	<b>Hay 11 lbs. Corn 5 lbs.</b>
70.00	\$0.70	\$0.71	\$0.71	\$0.74
80.00	0.80	0.80	0.80	0.79
90.00	0.90	0.89	0.88	0.85
100.00	1.00	0.98	0.96	0.90
110.00	1.10	1.07	1.04	0.96
120.00	1.20	1.16	1.12	1.01
130.00	1.30	1.25	1.21	1.07
140.00	1.40	1.34	1.29	1.12
150.00	1.50	1.44	1.37	1.18
160.00	1.60	1.53	1.45	1.23

Corn replacement of hay based on a ratio of 5 pounds of corn replacing 9 pounds of hay.  
Corn price held constant at 7 cents per pound (\$3.92 per bushel).

<b>Hay Cost Per Ton At Varying Bales Weights</b>					
	<b>Price Per Bale</b>				
<b>Weight</b>	<b>\$40</b>	<b>\$50</b>	<b>\$60</b>	<b>\$70</b>	<b>\$80</b>
<b>800</b>	\$100.00	\$125.00	\$150.00	\$175.00	\$200.00
<b>1,000</b>	80.00	100.00	120.00	140.00	160.00
<b>1,200</b>	66.67	83.33	100.00	116.67	133.33
<b>1,400</b>	57.14	71.43	85.71	100.00	114.29
<b>1,600</b>	50.00	62.50	75.00	87.50	100.00

<b>Actual Cost Per Ton Hay Consumed At Varying Waste Rates</b>					
	<b>Price Per Ton</b>				
<b>% Waste</b>	<b>\$60</b>	<b>\$80</b>	<b>\$100</b>	<b>\$120</b>	<b>\$140</b>
<b>5</b>	\$63.16	\$84.21	\$105.26	\$126.32	\$147.37
<b>10</b>	66.67	88.89	111.11	133.33	155.56
<b>15</b>	70.59	94.12	117.65	141.18	164.71
<b>20</b>	75.00	100.00	125.00	150.00	175.00
<b>25</b>	80.00	106.67	133.33	160.00	186.67
<b>30</b>	85.71	114.29	142.86	171.43	200.00

<b>Actual Hay Cost To Feed 30 Cow Herd At Varying Waste Rates</b>					
	<b>Price Per Ton</b>				
<b>% Waste</b>	<b>\$60</b>	<b>\$80</b>	<b>\$100</b>	<b>\$120</b>	<b>\$140</b>
<b>5</b>	\$2,779	\$3,705	\$4,632	\$5,558	\$6,484
<b>10</b>	2,933	3,911	4,889	5,867	6,844
<b>15</b>	3,106	4,141	5,176	6,212	7,247
<b>20</b>	3,300	4,400	5,500	6,600	7,700
<b>25</b>	3,520	4,639	5,867	7,040	8,213
<b>30</b>	3,771	5,029	6,286	7,543	8,800

Based on herd hay requirement of 44 tons.

**Aid Decision-making With Cash Flow Analysis** - Cash flow planning can assist in making both short-term and long-term decisions. Cash flow planning allows producers to study how different strategies could affect income and expenses before a particular strategy is implemented. Cash flow planning projects farm cash flows for one or more years of business. Producers can use cash flow planning to project annual operating loan needs and the timing of borrowing and repayment during the year. Through Extension's MANAGE Program, Area Farm Management Specialists assist producers in completing cash flow analysis using the FINPACK Computer Farm Analysis. There is no charge for the analysis and all information is confidential. Contact your county UT Extension office for more information.

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