



STRATEGY: PRICE SUPPLEMENTS ON A COST PER HEAD PER DAY BASIS

Know the entire cost of feeding

Most producers appreciate that feed represents the largest cost of maintaining a cow herd. That's why cost-cutting has always focused on squeezing the per-ton cost of protein supplements and forages as low as possible.

But often missed in that equation are the hidden costs of supplementation. If you're focusing only on the purchase price of supplements, you may be missing the largest share of your total costs.

Depending on conditions, the hidden costs of regular delivery over long distances using purchased equipment and hired labor can push those non-feed supplement costs to almost two-thirds of the total cost to supplement, according to computer modeling from Kansas State University.

Kansas State's SuppCost™ software program was developed to help producers calculate the true cost of supplementation for several "what-if" scenarios. It helps consider these hidden costs of supplementation:

- Labor costs per hour. The cost to send the hired man on rounds every morning is easy to calculate. However, it's important to also include a realistic value for your own time—an opportunity cost that impacts your return on management.

- Truck cost per mile. Whether considered at a flat per-mile rate or at the actual cost, the truck's depreciation, interest, repairs, taxes, insurance, license, fuel and oil must be considered.
- Tractor and equipment cost. Granted, feeding is often done with older equipment. But to be accurate, your cost calculations should include a reasonable market-value estimate to replace that equipment when it wears out.
- Other opportunity costs. Although the following costs are not included in the SuppCost program budgets, regular feeding of dry supplements has these other potential costs:
 - Overconsumption of salt-limited feeds.
 - Interference with efficient forage use when animals stop grazing and congregate to eat daily supplement.
 - Interference with grazing patterns when animals return to a fixed supplement site.

	CRYSTAL-PHOS™	DRY BAGGED MINERAL
1. Weight bought	2,000 lbs.	2,000 lbs.
2. Cost per ton		
3. Cost/pound (No.2÷No.1)		
4. Cost/ounce (No.3÷16)		
5. Intake/day in ounces*	4 ounces	
6. Cost/head/day (No.4xNo.5)		
7. Cost/100 days (No.6x100) ^b		
8. Cost of wasted product	0	
9. Cost of equipment	0	
10. Other advantages ^c		

a. Intake will vary according to age and size of animals, quantity and quality of available forage as well as weather conditions, seasons and years. Four ounces of CRYSTALYX® CRYSTAL-PHOS™ provides 100 percent of the 1996 NRC trace mineral requirements for beef cattle.
 b. This cost does not include the cost of feeders, nor the loss of mineral to wind and rain inherent to any bagged mineral program. As with all CRYSTALYX® products, there is no supplement loss to weather and each package is its own feeder.
 c. Self limiting, more palatable than dry mineral, economical cost per head per day, effective management of pastures and grazing patterns.

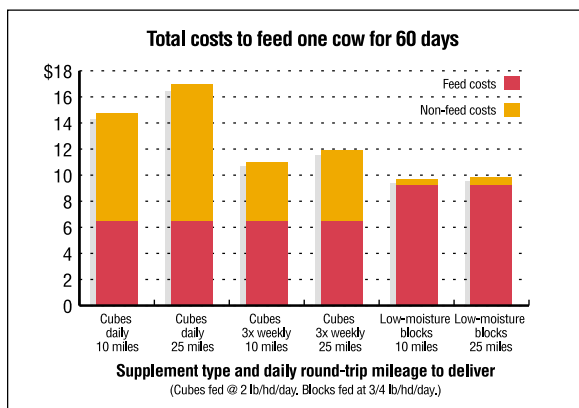
Coming next in

Get more out of lower-quality, late-season forages with effective protein supplementation. New research demonstrates the hidden benefits.



HOW CHEAP IS 'CHEAP' SUPPLEMENT?

Computer modeling using typical costs demonstrates that any savings achieved by using cubes and bagged supplement with a low cost per ton are quickly eaten up by the hidden costs to feed those supplements.



GO WITH THE BRAND YOU KNOW®

By consuming from 0.25 to 1 pound per head daily--depending on CRYSTALYX® formula fed, size, weight and age of cattle, and forages being fed--cattle on CRYSTALYX® Brand Supplements receive 100 percent of the NRC requirements for trace minerals, without bagged minerals' high costs of feeding equipment, labor and losses to weather and waste. Want to run cost calculations using your own figures? Visit our web site at www.crystalyx.com. Click on CRYSTALYX® Calculator or call 1-800-727-2502 for a dealer near you.

