

Overemphasizing Seed Cost Can Lead to Poor Planting Decisions

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Making sound decisions on which annual and perennial forage varieties to use in livestock operations is no easy task. There is much information to consider including (1) variety adaptability and yield, (2) availability and cost of seed and (3) livestock performance goals. It is important for producers to weigh all of these parameters collectively and not allow any one particular parameter to over-influence a planting decision.

Table #1

Variety	*DM Yield lbs./ac	Seed cost** @100 lbs./ac.	Forage Value/ac @\$0.03/lb
Wintergrazer 70	6986	\$32	\$209.58
Wrens Abruzzi	5800	\$26	\$174.00
Wintergrazer Advantage	+1186	(- \$6)	+\$35.58

*2005 Ga. State Variety Trials
**Fall 2005 Price

Too often, farmers only focus on seed cost when making planting decisions. Certainly, seed cost is important. However, a shortsighted emphasis on seed cost can wind up costing rather than saving producers money.

A good example is rye. This annual forage is used extensively throughout the country for grazing livestock. There are a number of popular varieties including Pennington's Wintergrazer 70 and Wrens Abruzzi. In the fall of 2005, the price of Wintergrazer 70 ran about \$3 per bag higher than the bag price of Wrens Abruzzi. On the

surface, it appears without question that Wrens Abruzzi is a much better deal costing the farmer \$6 per acre less to plant. But if all parameters are examined a little closer, one comes to a different conclusion. In the 2005 Georgia State Variety Test Trials, Wintergrazer 70 was the top yielding rye and out yielded Wrens Abruzzi by almost 1200 lbs. of dry matter per acre (see table 1). What is this extra forage worth? Using a very conservative figure of \$.03/lb. (\$60/T), the Wintergrazer provided an extra \$36 worth of forage for only a \$6 higher investment at planting.

Another good example is seen with Pennington's non-toxic MaxQ fescue when compared to toxic varieties like Ky 31 fescue. Seed cost per acre at 20 lbs. seed/acre is currently running about \$80 for MaxQ versus approximately \$25 for Ky 31 or a difference of some \$55 per acre. This seems quite substantial until animal performance differences are considered.

Table #2 – Effect of Fescue Endophyte on Stocker Cattle Gain – University of Georgia 1999-2002

Autumn	ADG (lbs)	Gain/A (lbs)	*\$Value
MaxQ (non-toxic)	1.8	181	\$159
Toxic Fescue	1.06	130	\$114
MaxQ Advantage	+.74	+51	+\$45
Fall			
MaxQ (non-toxic)	1.66	312	\$275
Toxic Fescue	.88	150	\$132
MaxQ Advantage	+.78	+162	+143

*Based on a sales price of \$88/CWT

University studies throughout the fescue belt have shown stocker cattle gains to be 50-162 lbs./acre more on MaxQ than toxic fescue (see table 2). At \$.88 per lb., this is a return of \$44 - \$143 more per acre annually for an increased initial investment of only \$55 per acre.

Studies with cow/calf systems have shown similar impressive results with increases in calf weaning weight of some 55 lbs. per calf (see table 3). At a stocking rate of 2 acres per cow/calf unit, planting MaxQ would result in an upfront cost increase of \$110 per cow/calf unit over planting Ky 31. However, based on these university studies, one could expect an extra \$44-\$66 per cow/calf pair on a yearly basis.

Table #3 – Effect of Fescue Endophyte on Weaning Weights
University of Georgia, 2000-2002

Variety	*Seed Cost	200 day adj ww (lbs)		**Sales Receipts/hd	
		Steers	Heifers	Steers	Heifers
MaxQ (non-toxic)	\$80	575	525	\$575	\$472
Toxic Fescue	\$25	509	481	\$509	\$433
MaxQ Advantage	(-\$55)	+66	+44	+\$66	+\$39

*Based on a seeding rate of 20 lbs./a; MaxQ seed cost of \$4/lb. and KY 31 seed cost of \$1.25/lb.

**Based on sales price of \$100/CWT for steers and \$90/CWT for heifers

The point here is obvious. Farmers who focus on only one planting decision parameter such as seed cost can find themselves making decisions that result in costing rather than saving money.