

# An Economic Comparison of Pasture Based Beef Breeding Herds and Row Crops in Southern Ontario

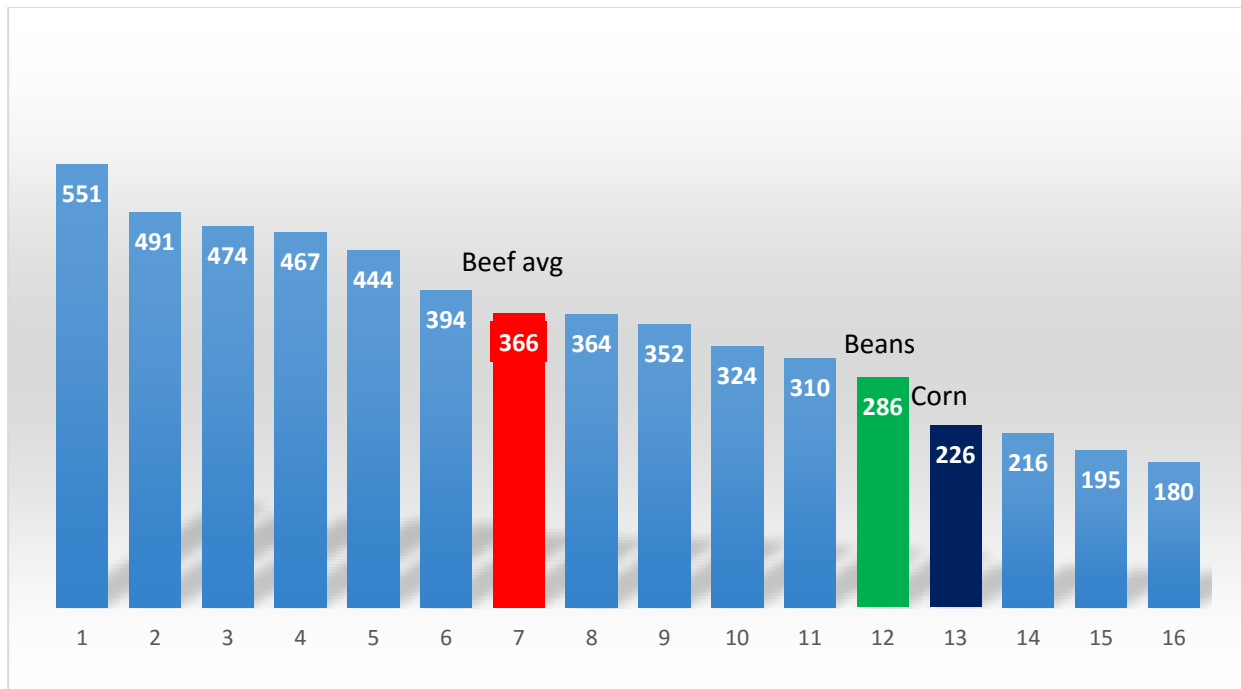
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This study was conducted in response to the sharp drop in forage and pasture acres which occurred in Ontario between the 2006 and 2011 censuses. Forage and pasture crops have well established environmental benefits and encouraging a reversal of this trend would be very positive.

Fifteen cow calf producers, identified through a variety of industry sources, were contacted and agreed to participate in the study. The cooperators selected were known to be above average grazing managers. They were located within a triangle from Cayuga in the south to Chesley in the north to Chatham in the south west of Ontario. All producers were contacted in person (14) or by telephone (1) in February and early March of 2016. Herd size ranged from 30 to 350 cows with an average of 152 and acres devoted to pasture ranged from 33 to 650.

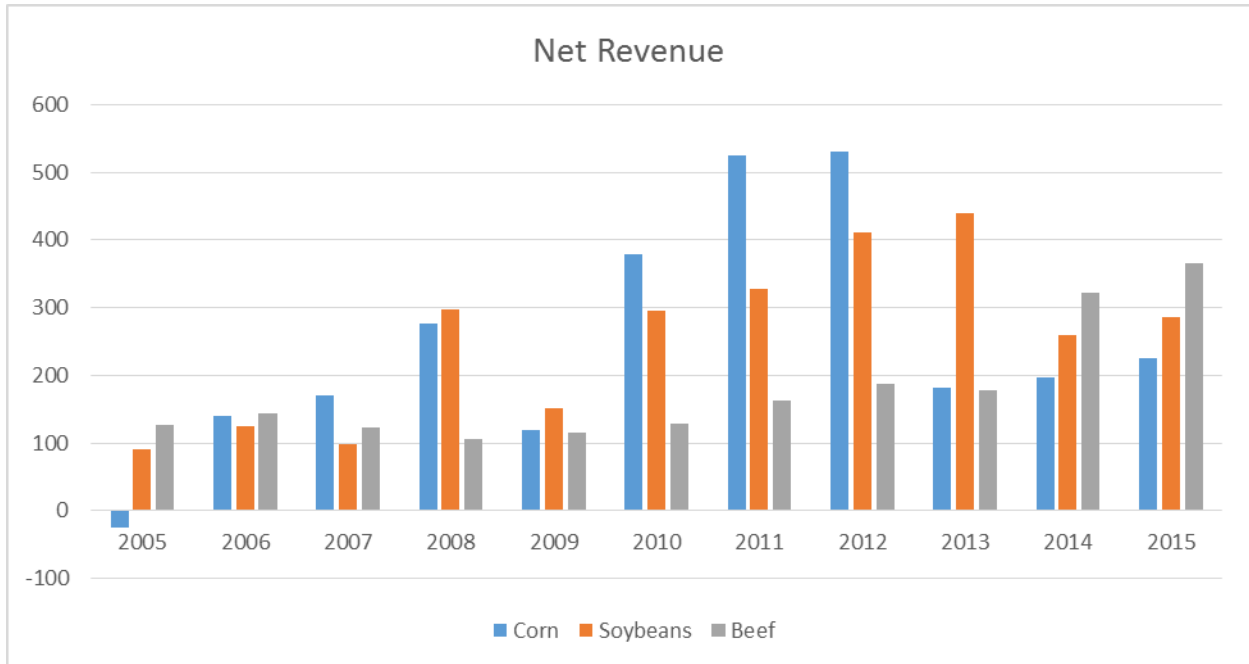
As shown in Figure 1, in 2015 beef grazing yielded an average net return of \$366/acre which is very attractive versus \$286 and \$226 for soybeans and corn, respectively. While there were many variables involved in deriving the beef numbers it is worth noting that only 3 of the 13 producers whose figures were included had returns below those of the cash crops.

**Figure 1: Net Dollar Return/Acre Beef and Cash Crops for 2015**



It is well known that the past 10 years have seen some of the most variable commodity prices ever seen in Ontario. For this reason the returns for crops and beef for 2005-2015 were calculated and are displayed graphically in Figure 2.

**Figure 2: Crop and Beef Net Revenue 2005-2015**



In the period from 2005 to 2015, corn returns were lower than beef in 3 years, similar in 3 and higher in 5. Soybean returns were lower than beef in 5 years and higher in 6. Returns from grazing beef cows were much more consistent than those from cash crops.

It was beyond the scope of this study to determine the factors which contributed to the range in income from grazing which was evident between the study herds. Further research involving a more in depth study would be required to achieve this goal.

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