

The Financial Benefits of Going Grass-fed with Sheep

—Ulf Kintzel

As most of you know by now know, I have been breeding White Dorper sheep, selling grass-fed genetics that shed and require no shearing for many years now. It has been a lucrative business in a seemingly ever-growing market, and it continues to be that way. However, offering breeding stock is not for everyone. The logistics are indeed very cumbersome. Dealing with customers is extensive. An internet presence is almost necessary to succeed. Many hours are spent on the computer and on the phone. All that makes quite a few sheep farmers shy away from selling breeding stock, although in many cases they have good skills raising sheep on pasture without any input of grain. I get it.

The expectation by many then often is that grass-

fed market lambs should fetch a premium price, a higher price than conventional grain-fed lamb. That is in most cases not so when the lambs are sold to dealers and at livestock auctions. These markets don't care about how the lambs were raised. They care about the "usual" things: size, meatiness, finish, and percentage of prime cuts. That is when some people turn to me in the hopes of finding out how to get a premium price for their grass-fed market lambs. When callers learn from me that my market lambs—of which I still sell a sizable number—bring just the same money as grain-fed lambs do, they often are disappointed at first. However, here are two angles of looking at the financial benefits of going grass-fed: one is income, another one is cost.

These are the two figures that decide the level of the profitability of a sheep farm (or any other business).

Photos by Author



Feeding hay in the winter requires less labor and less equipment than feeding grain

Let's examine my costs, especially considering the spell of high inflation that we just went through. I, as a farmer, experienced very little of it. In fact, I would not have known much about it, hadn't it been mentioned so often by some neighbors. Grain costs were high. Fuel costs were high. Equipment costs went up. Everything went up. My cost to maintain the farming operations went up too. However, it did so only marginally. It was so marginal that I did not feel the pain.

Let's go through my expenses/costs one by one.

Hay: My main expense is hay. I spend several thousand dollars each year on having hay made at my farm. I am lucky to have "my" custom-hay guy Peter living right across the street. Since I always pay him right away in full and tip him when the job is done, I remain on top of his list of customers. (I learned a long time ago if you lack a warm personality as I do, paying everything right away in full makes almost entirely up for that lack of warmth in your personality.) It's a win-win situation for both of us. He has no easier and better-paid way of custom-haying. I have no easier and less expensive way of getting my hay made, needing no hay equipment whatsoever. Of course, his price for custom haying went up because of the higher fuel cost and the higher cost for bale netting wrap. The two dollars he charged more per bale amounted to an almost minuscule amount simply because my hay feeding cost is about a bale per ewe per year. Although hay is indeed my highest cost, I still only feed it about 100 days each year.

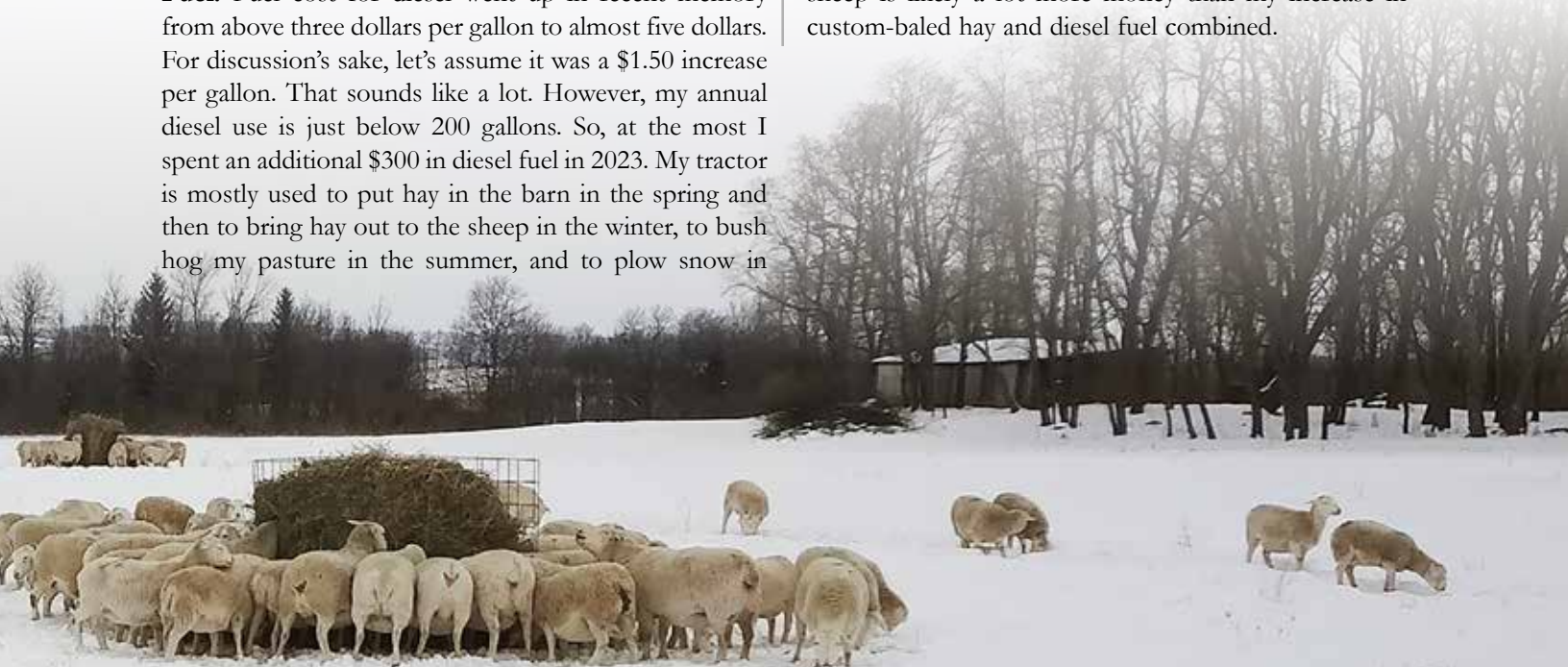
Fuel: Fuel cost for diesel went up in recent memory from above three dollars per gallon to almost five dollars. For discussion's sake, let's assume it was a \$1.50 increase per gallon. That sounds like a lot. However, my annual diesel use is just below 200 gallons. So, at the most I spent an additional \$300 in diesel fuel in 2023. My tractor is mostly used to put hay in the barn in the spring and then to bring hay out to the sheep in the winter, to bush hog my pasture in the summer, and to plow snow in

the driveway in the winter. Each pasture cell gets bush hogged once after grazing during the months of June through August. That is the highest use for my tractor. The higher fuel cost is an increase in cost of a couple dollars per ewe. Meanwhile, the cost of diesel is back down to just over \$4 per gallon as inflation is easing.

Costs that I don't have because my sheep are grass-fed:

Grain: the first expense that comes to mind when you feed grain to sheep is, well, the grain itself. That is a cost I can save entirely. However, it doesn't end with just the cost of the grain itself. You need the equipment to transport (or pay for transportation), to store, and to feed grain. So you need trucking, feed bins, feeders, and equipment to get the feed to the feeders. I don't have any need for any of the above. Repair costs for any equipment has gone up too, in part because of the higher cost for materials. You also need a structure to feed the sheep in the winter. The size of such a structure would need to be a lot bigger than what I have for lambing and hay storage. Maybe you can grasp the scope of the costs; costs I simply don't have.

Labor: If you run your entire business with family labor, you may not feel the sting of increased labor cost. But around here the discussion of raising the minimum wage became almost obsolete because seemingly nobody works for minimum wage anymore. Even fast-food places like McDonalds start at \$15 an hour wage. So the higher cost of paying someone to help you feed your sheep is likely a lot more money than my increase in custom-baled hay and diesel fuel combined.





Letting sheep graze is far less labor-intensive than feeding them grain.

Seed costs: I can only repeat what I heard about its high cost because I didn't buy a single kernel or berry of seed grain for animal feed. I have perennial pasture, graze from April through early January, and feed hay during the remainder of the time. If you don't grow any grains of any sort but feed grain to your sheep, you don't buy expensive seed, but you pay for the rising cost of feed grain. I did reseed a 12-acre plot with a late-heading orchard grass and clover during the height of inflation. However, a one-time purchase of a couple of bags of grass seed and three bags of clover doesn't move the needle, especially considering that this cost will depreciate over many years of the use of that reseeded pasture compared to the annual cost of seed for feed grain.

More fuel: If the grain is not purchased but grown, you will need to run your tractor to plow up fields, prepare the seedbed, seed the grain, cultivate it, apply fertilizer and/or pesticides, and harvest the grain. You probably also need a larger tractor than I have. Compare that to my pasture, which sees a tractor and machinery to hay it or to bush hog it once a year, and the rest of the year it is exposed to hoof trample and my boots.

What about the other costs for my sheep? There are many smaller items on the list, from trace mineral salt to ear tags to iodine for newborn lambs. Yet all these costs are rather minuscule and the increase in price negligible. However, these costs are not unique to raising sheep the

grass-fed way and apply equally to grain-fed sheep.

Of course, there are some costs that are unique to raising sheep on pasture. Most notable, is the cost for the permanent and temporary fencing needed for a rotational grazing program. However, it is a cost that you have once and then not again for many years. In some cases, you may never have the expense of certain permanent fencing ever again, just some maintenance cost. Temporary fencing costs less money in comparison, must be replaced after a certain time but may last you ten years or so as well.

In essence, the cost for grass-fed sheep is *far* lower than for grain-fed sheep. Thus, I am left with a *much higher profit margin* for those of my lambs that I sell for a similar price as grain-fed lambs sell for.

So now you know why I don't lament that livestock auctions don't pay a premium for grass-fed lambs. I reap the benefits in other ways by having far lower costs than most. I heard from an Amish fellow that it is not the high cost of living that hurts you. It is the cost of high living that does. I am with him on that one. It applies to raising sheep too. 🐑

Ulf owns and operates White Clover Sheep Farm and breeds and raises grass-fed White Dorper sheep without any grain feeding and offers breeding stock suitable for grazing. He is a native of Germany and lives in the US since 1995. He farms in the Finger Lakes area in upstate New York. His website address is www.whitecloversheepfarm.com. He can be reached by e-mail at ulf@whitecloversheepfarm.com or by phone during "calling hour" indicated on the answering machine at 585-554-3313.