

PRODUCER PANEL: USING RESOURCES TO CREATE PROFIT CENTERS

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The idea of growing a ranch business with finite resources is not a novel one in my county, but it is often discarded in favor of leveraging the assets Great-Grandad put together against the purchase or lease of more land. The problem is that most young folks starting out don't have access to such assets, or maybe they have to share with a lot of siblings. My husband and I fall into the latter category, and when it became obvious that the "sharing" wasn't going to work, we had to look elsewhere to pursue our vocation. Fortunately we had spent years working hard and building credibility, and we were able to foster a relationship with a benevolent neighbor who was looking to relocate. By the grace of God he was also willing to finance us; and Dad contributed collateral to help us get started. If only everyone deserving could be so lucky; our situation is unique and difficult to replicate.

In any case, by December of 2008 we moved and within 20 months we had doubled our cowherd, initiated a lease on 150 other cows, and established an LLC with the land. We were starting from scratch in terms of machinery and infrastructure, so we made a lot of crappy stuff work for a few years and made improvements as we could afford them. We also switched banks after realizing that our lender didn't share our aggressive growth vision. Our relationship with Ron Rankin at Farm Credit Services now supports our expansion and allows for a lot of room for managed risk and growth.

One of the first things we realized was that with our debt load and insufficient labor force, running a typical cow/calf, cake-hay-and-range, February-calving outfit was not going to work. The ranch was "imbalanced," as the old-timers would say, with insufficient summer grazing to support the 1700 tons of hay it produced. We decided to exploit this resource by taking in heifers on a contract basis to winter, synchronize, and AI. We also purchase heifer calves with known genetics, which we resell as bred heifers at year's end. The heifers run out on pasture and meadow, usually in contemporary groups based on breeding date. We feed hay, and two to five pounds of DDG mixed with a custom mineral, increasing the plane of nutrition as the breeding date approaches. Range cubes are way too expensive relative to distillers to use. Drylotting and finishing-diet type of rations are not part of our program. I am reluctant to use the words *heifer development*, because as my wise friend Jeremy Martin says, *shouldn't it be heifer survival?* They are usually synchronized with MGA/PGF, but we have also used CIDRs. As an ABS rep and AI technician, I do all the armwork and orchestrate the matings; I still breed off heat for at least three sorts because I think the sorting experience helps to instill good manners in the cattle. It doesn't hurt the people to practice some mutual respect either. My goal is to produce a thrifty, fertile, professional future cow that I believe in enough to buy back heifer calves out of in the future. The heifer AI enterprise effectively adds three profit centers to our ranch, because in addition to the income from contracts and bred heifer sales, I also AI 1,500 to 2,000 head off the ranch and sell a little ABS semen.

We were still short on summer grazing a few years ago, so we activated the pivot that came with the ranch and planted millet to graze in August. The first year it did so well that after rotating the heifers through two quarters, we had to have a cousin come swath and bale the rest on shares. Since then we have tweaked our stocking densities relative to water application; we have also installed two used Zimmatics on other dormant wells; rotated rye, triticale, and/or cover crops with millet; tried interseeding with and without spraying RoundUp first, seeding with and without disking first, and chemigation. Believe me when I say that I never anticipated this level of farming to be part of my life, and it certainly adds a few jobs. We also encounter a lot of skepticism when people hear that we *graze our pivots??!* *Instead of haying them??!* But installation of the irrigation is what got us through the drought, and I'm sure glad I didn't have to pay \$55/month/heifer for grass this year. We plan for an additional 100 days of grazing for 300 head heifers with the pivots. When a partial budget shows it to be more profitable to grow and sell hay, or raise alfalfa for a protein source, we will modify our plan.

At first, we thought that running August-calving cows would be a good fit for our ranch, what with the heifer AI enterprise keeping us busy in the spring, and all that extra hay. We were calving 180 to 200 "fall" cows when the chance to lease the 150 April-calvers came along. These were cows that belonged to our financier, the previous owner of the ranch. He had also retained almost 3,000 acres that he offered to lease to us with the cows, on terms that no one in their right mind would refuse. They were Angus cows originating from his carefully managed, maternally superior herd, and we are hoping to renew the sixth year of the cow/land lease this month. The problem, of course, is that having two calving seasons has been too much work for us and complicates our grazing and marketing plans. So this year, in light of the tremendous cattle market and the serendipitous circumstances of some dear college friends, we sold our fall cows to Brian and Hilary Maricle and plan to grow our spring herd up to a respectable size. Heifers produced from the spring cows are mostly made into bred heifers, and steers are backgrounded for 30-150 days before sale, depending on the market and input costs. Cows are TAI'd, graze summer and dormant range, and ideally receive fewer than 70 days of hay around calving, along with DDG/mineral supplementation.

This year we participated in an informal trial where we synchronized and AI'd 143 August-born heifers in June, using MGA/PGF on half and CIDRs on the other half. They weighed about 600 pounds at AI and were extremely immature mentally. Eighty-two percent came into heat; heifers that didn't respond to synch were not exposed to any AI or cleanup bulls. Out of the 117 that were serviced, 50% became pregnant. Fifty-three percent of pregnant heifers came out of the MGA group, and 47% were out of the CIDR group. Out of the pregnant heifers, 78% were called AI bred. Overall they did better than I expected. I appreciate the guidance and help from Dr. Rick Funston and his grad student Hazy Nielson on this endeavor. However, I don't think I have talked Hazy into helping calve them out.

I'm sure it would be easier to do things like everyone else. I don't think it would make as much money, and I know we wouldn't learn as much. I'm grateful to be ranching for a living, and I'm especially thankful for all the help we've had.