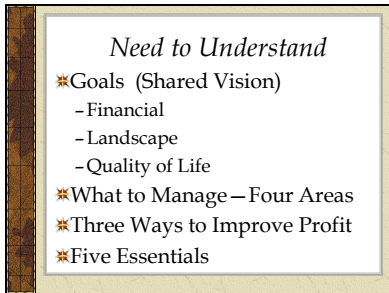
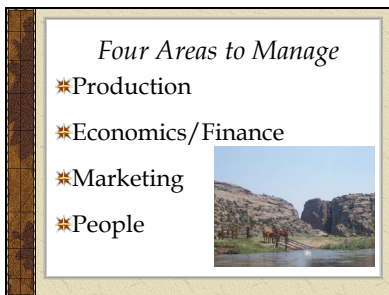


ALTERNATIVE ENTERPRISES FOR THE COW-CALF PRODUCER

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Three Ways to Improve Profit

- * Increase turnover
- * Decrease overheads
- * Improve gross margin
 - Total returns - Direct costs




Whole Ranch Profit

It's **Profit per Acre**
or **Whole Ranch Profit**
that you strive to improve—
not Production or even
Profit per Animal.

Major Determinants of Profits

- * Enterprise Structure—Cattle, Sheep, Wildlife, Recreation, Etc.
- * Overheads (Including People)
- * Stocking Rate
 - Cow Size and Milk Production
 - Grazing & Pasture Management
- * Fed Feed vs. Grazed Feed
- * Calving Season
- * Realized Herd Fertility
- * Wise Input Use for Optimum Production
- * Marketing

**Reduce Overheads
Market Well
Improve **Three Key Ratios****



Acres per AU
AUs per Person
Fed Feed vs
Grazed Feed

Five Essentials of Ranch Management

1. The approach must be both integrative and holistic
2. Continuous improvement of the key resources - Land, Livestock, People
3. Use of good planning and Decision making tools
4. War on cost
5. Emphasis on marketing

**So
For Profitable Decision
Making
(Managing Ranch Resources—
Land, Livestock, Wildlife
and People)
Become a Systems
Thinker**

***Alternative Enterprises
for the
Cow-calf Producer***

- Alternative Enterprises
- * Sheep and/or Goats
 - * Wildlife
 - * Recreation
 - * Custom Work
 - * Cattle alternatives and add-ons

 - * Marketing

Sheep and/or Goats

- * It is commonly accepted that you can place one ewe with every cow on range or pasture and never miss any cow feed.
- * It is often thought that the addition of goats to cows on pasture will increase the cow feed over time.
- * Any time you can share overheads between two or more enterprises, there is a chance to improve profit.

Sheep and/or Goats

- ✳ Will you need to add overheads—labor, facilities, equipment? How much?
- ✳ What additions to direct costs—mainly supplemental feed and vet costs?
- ✳ Estimate the added revenue and calculate a gross margin for the enterprise.

Wildlife

- ✳ What are the possibilities?
- ✳ Fee hunting.
- ✳ Wildlife photo opportunities.
- ✳ Bird watching.
- ✳ Conservation partnerships with various groups to enhance wildlife habitat (many species) and simultaneously produce more feed while improving soil health and water quality.

Recreation

- ✳ Ranch vacations
- ✳ Agri-tourism
- ✳ Horsemanship or livestock handling schools
- ✳ Trail rides
- ✳ Hiking
- ✳ Camping
- ✳ Bird Watching
- ✳ Hunting

Custom Work
Using equipment or skills that are not fully utilized

- ✳ Custom farming or haying
- ✳ Horse shoeing
- ✳ Fencing (repair or new fence)
- ✳ Cattle processing
- ✳ Trucking
- ✳ Horse Training

Cow-calf Alternatives

- ✳ Simple Terminal Mating Enterprise buying replacement females and selling all calves.
- ✳ Basic Cow-calf raising own replacements.
- ✳ Cow-calf-yearling.
- ✳ High turnover Cow-calf exposing lots of heifers and selling bred cows.
- ✳ Produce and sell breeding bulls.
- ✳ Stocker only.
- ✳ Combinations of the above.

Cow-calf Alternatives

- ✳ Leasing cows "in" or leasing cows "out."
- ✳ Custom grazing and care.
- ✳ Partnerships on cattle ownership.
- ✳ Produce embryo calves for seedstock producers.
- ✳ Be a progeny testing herd for AI firms or seedstock producers.
- ✳ Be a cooperative producer with a seedstock producer.

Marketing

- * Do you see challenges and opportunities for marketing in the various cow-calf alternatives?
 - Selling bred cows
 - Selling bulls
 - Etc.
- * On many ranches, too much money is left on the table when we sell and don't market.
- * We must consider Time, Form and Place

**So
For Profitable Decision
Making
(Selecting the Right Enterprise
or Enterprise Mix)
Become a Systems
Thinker!**

Burke Teichert was born and raised on a family ranch in western Wyoming. He earned his B.S. in Ag Business from Brigham Young University and his M.S. in Ag Economics from the University of Wyoming. Teichert has served as a faculty member at the University of Wyoming and BYU and a beef cattle specialist in the AI industry. He has also served as General Manager and Vice President for AgReserves, Inc., better known as Deseret Ranches, where he was involved in seven major ranch acquisitions in the U.S. and the management of a number of farms and ranches in the U.S. as well as Canada and Argentina. Teichert is now a consultant and speaker. He also writes a monthly column in BEEF magazine.

