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A voluntary partnership with private landowners

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The Fall Business Meeting and 3NCGL are approaching.

Cover photo of USDA-NRCS.

Six Signs for Success

How can a ranch determine if it is successful?
It takes a balanced approach in these six key areas.

By Kindra Gordon

Barry Dunn, former South Dakota Extension livestock specialist and now at the King Ranch Institute for Ranch Management in Texas, has been a long-time student of evaluating why some ranch operations are more successful or viable than others. From his own ranching experience to his years in extension education, Dunn has amassed an insightful understanding for the variety of factors that can impact a ranch.

He advocates that critical to any business success is the ability to monitor and measure. Dunn suggests ranch businesses use a balanced scorecard to help achieve sustainable long-term success. The scorecard looks at the ranch from six different perspectives: 1) learning, 2) natural resources, 3) cattle, 4) customers, 5) financial and 6) people. All categories are important and no single area should outweigh another.

This management tool is based on "The Balanced Scorecard" first developed by Robert Kaplan and David Norton in the early 1990s and used successfully in many business applications. By using both lagging and leading indicators, the scorecard measures the progress of an organization toward its vision from multiple perspectives.

Essentially, Dunn describes this evaluation process by suggesting producers approach it as if they were putting a report card together for their ranch. The "report card" should asses how the ranch is doing in each of the six different areas.

Making The Grade

Learning. To evaluate how the ranch is doing in the "learning" category, Dunn suggests that ranch operators set goals to attend educational events and seminars and then evaluate if they meet those goals during a given timeframe.

As examples of opportunities to enhance learning, Dunn says, "I would encourage ranch owners and managers to attend beef seminars and conservation and range tours, as well as use different websites as resources. You may even take a course in business."

He adds, "The ability of a company to build its intangible assets or intellectual capital has become a critical success factor in creating and sustaining a competitive advantage."

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Six Signs for Success

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Natural Resources. When looking at a ranch from this perspective, Dunn says key indicators of success have been to match stocking rate and carrying capacity. But he adds, "The kicker about the range resource base is that carrying capacity is variable and stocking rates need to be. These need to fluctuate, but our industry has lost the flexibility to do that."

Thus he says, "Liquidation of cows can't be viewed as a disaster. It needs to be considered part of the normal business of ranching."

So in evaluating your success in this category, Dunn stresses that the ability to be flexible and adapt to resource conditions is key. As an example, he says track precipitation and if it isn't above normal by July, you need to be able to destock because the forage production for that season is already set.

Additional resource factors to track include improvement in range condition, wildlife populations, and cattle performance.

Cattle. How do we measure success in cattle? Everyone seems to have their own opinion, but Dunn says first priority to him is to measure pounds weaned per cow exposed. "That's the measure of efficiency. It's the whole package," he says.

He says that number is a true summary of genetic potential, reproductive performance, death loss and herd health, and pre-weaning nutrition from milk, pasture and supplement.

Other indicators Dunn advocates monitoring within the herd include pregnancy rate, replacement rate, cow body condition score at weaning, and the number of days hay was fed over the winter.

Customer. In any business you've got to know who the customer is and if their needs are being satisfied. For ranchers to "listen" to customers, Dunn suggests getting involved in retained ownership programs or marketing alliances where information is passed up and down the market channels. By doing so, ranch operators will have the opportunity to monitor feedback, as well as identify if there are repeat customers and how much customer inquiry is produced.

Financial. When evaluating a ranch's financial success, Dunn advocates calculating a unit cost per 100 lbs. weaned. Of the more traditional means of calculating a breakeven on per cwt. of weaned calf basis, Dunn says, "That's been abused, and something we've got to move beyond. It's not a per cow cost measure."

Dunn also advocates that ranchers calculate Return on Assets which measures the percentage return, regardless of source, to each dollar invested in the operation, and Net Income which is the money available to the operation to pay off debt and for family living.

People. At the heart of a ranch is the people and their quality of life. Dunn admits, "Ranching is a tough business, but it also can be an enjoyable business," he says. When looking at a ranch from this perspective, determine if the people involved are healthy, have a sense of security, and have minimal stress. General family relations and employee turnover should also be monitored.

Strive To Improve

As a final tip in putting your scorecard together, Dunn says when evaluating these categories you need to be able to identify leading and lagging indicators. "Lagging indicators are in the past, and you can't change them – such as a diploma or a photo point. Leading indicators you can change and improve upon, and may offer tremendous opportunities," he points out.

Dunn concludes, "You want a balanced scorecard, and it builds from learning on through to people. The better job you do at being a life-long learner, the better you'll be able to meet your cattle, natural resource, financial, customer and people goals."

Spotlight on GLCI in the South Central Region

On April 21-23 2006, the Arkansas Grazinglands Coalition hosted the GLCI coalitions from the seven southern most states in the central GLCI region to discuss their respective GLCI programs. The states represented were Arkansas, Kansas, Missouri, Illinois, Texas, Oklahoma, and Louisiana. National GLCI Coordinator Kim Stine also participated.

John Spain explains his Arkansas grazing operation to participants from the region learning about grazing management.

The objective was to show what GLCI efforts are under way in Arkansas and to allow for the other states to share about their programs. It was a chance to learn from both failures and successes.

The group was welcomed by Kalven Trice, Arkansas State Conservationist. Bob Drake, GLCI Chair, also addressed attendees.

Highlighting the event were two tours. Dr. David Brown's farm raises grass-fed Romagnola cattle, which are known for their lean meat. Dr. Brown is a neurologist and is deeply concerned about the American diet, which is one reason he chose this type of cattle to raise.

The second tour stop was the John Spain farm. Today, the farm has been fenced into three-day permanent grazing paddocks, with bermuda for summer grazing and fescue for cool season grazing. The day concluded with a chuck wagon dinner.

Over 125 people attended the event, and found it very worthwhile. In the words of one of the state coordinators, "you can read about this and study about it until you are blue in the face, but to see someone out there doing it is just awesome."

The organizers are hopeful this type of program may be implemented in other regions as a training program and to generate more awareness for GLCI activities.

Submitted by John Spain
Chairman, Arkansas Grazinglands Coalition

GLCI Funds Multiplying Benefits for all Americans

By Bill Henning,
Small Farm Specialist for Cornell University

In New York, GLCI funded $1,000 toward the expenses for the Low Input Sustainable Farming Conference in Geneva. ***Those GLCI dollars supported these speakers: Forrest Stricker, Pennsylvania dairy farmer, discussing What, How, & Why on an Organic Dairy; William Lescher, Pennsylvania dairy farmer, sharing insight on Flexible Farming; Paul Hepperly, Ph.D., Rodale Institute, discussing Long-Term Research Supports Regenerative Farming; Ron Stutzman, Research Agronomist, Stutzman's Research Farm, discussing Whole Farm Grass Management; John Oswalt, Michigan sheep farmer and director on the American Lamb Board, sharing why he raises sheep; Matt Wiley, retired Michigan sheep farmer, talking about Low-Input Sheep Production; Joe Rook, DVM, Michigan State University, discussing Managing the Sheep Grazing System; and Diana Endicott, Good Natured Family Farms of Kansas City, discussing Marketing from Farms to Supermarkets.***

This year 151 people attended the Low Input Sustainable Farming Conference. About half of those participants were old order Mennonites and Amish. These plain communities play a vital role in planning and orchestrating this event. 2006 marked this event's fourth consecutive year, and the conference has drawn attendance from across the northeast and Canada.

Perhaps the most important contribution of grass-based agriculture often goes unrecognized. That is its contribution to the sustainability of small livestock farms.

Why are GLCI dollars so important?

Managed grazing is one of the most stellar cultural practices in all of agriculture. This practice allows young people to start farming at lower cost. It increases profits, provides bucolic rural scenes, enhances the environment, and contributes to the sustainability of a cultural heritage basic to the moral fiber of this country. Grass-based agriculture is recognized by the USDA as the most significant farming practice contributing to the nation's quality of water.

Perhaps THE most important contribution of grass-based agriculture often goes unrecognized. That is its contribution to the sustainability of small livestock farms.

There are over 60 years of reputable university studies throughout the United States that all draw the same conclusion: Communities that have a higher proportion of self-employed, middle-income inhabitants experience less unemployment, less welfare, less violent crime and greater vitality than communities relying on employed people. Nothing promotes that experience more in a rural environment than a high proportion of small, family-operated farms.

Thus, every American benefits from grass-based farming.

Wisconsin Grazing Specialist Recognized

Paul Daigle – who helped develop the 'grazing specialists' role in Wisconsin – was recently awarded the National Excellence in Conservation Award by NRCS Chief Bruce Knight. Daigle's position is partially funded by a GLCI grant.

Daigle is based in Marathon County and was nominated by NRCS District Conservationist, Amy Niegum. The award is given to only one non-federal agency person each year.

Daigle was quick to praise the Central Wisconsin River Grazing Network, saying that the award really belongs to them. Since starting full-time grazing planning in 1998, Daigle has developed almost 200 grazing plans covering over 16,000 acres in Marathon and Lincoln Counties. 37 of these are for new farms and 21 of those are for new dairy farms.

Additionally, Daigle has served as model for other grazing specialists and has helped at least two other grazing specialists get started in Central Wisconsin, who are also both experiencing similar demand for grazing plans.

Submitted by Paul Nehring
GrassWorks, Inc.; Wausau, WI

USDA Seeks Comment on Grass-Fed Marketing Claim

The USDA Agricultural Marketing Service is reopening comments on a new definition of "grass-fed" for marketing purposes. The original definition required the animal's diet to be 80% grass or higher over its lifetime, but there were many objections to the use of harvested or stockpiled forages that was allowed and comments that the definition was not stringent enough. The proposed definition uses a standard of 99%.

Comments must be received on or before Aug. 10, and should be sent to Martin E. O'Connor, AMS Livestock and Seed Program, Room 2607—S, 1400 Independence Avenue, SW, Washington, D.C. 20250-0254. Comments may also be sent by fax to 202/720-1112, by e-mail to marketingclaim@usda.gov, or by Internet at www.regulations.gov. Comments should refer to Docket No. LS-05-09.

Copies of the notice are available at www.ams.usda.gov/lsg/stand/st-pubs.htm.

THE CHAIR'S CORNER

Bob Drake

GLCI has a couple of important events coming up in the next few months. The National GLCI Steering Committee will hold its Fall Business Meeting in St. Louis, MO, on Sept. 8-9.

On Sept. 8, participants will have a tour of the "Show Me" state spotlighting management intensive grazing systems on two beef operations. Discussions will center on partnering efforts between public and private entities on the local, state and national levels. The tour is being hosted by the Missouri Forage and Grassland Council / Grazing Lands Coalition (MFGC/GLCI). Many of the state's elected leadership are expected to attend and learn about grazing efforts, and the Deputy Director of Agriculture for Missouri will address the group during lunch.

The business meeting for the National Steering Committee will be held Sept. 9.

All of our efforts are leading up to the Third National Conference on Grazing Lands (3NCGL), to be held Dec. 10-13 in St. Louis, MO. We continue to be excited about the event and our theme: Grazing Lands, Gateway to Success. For more information about 3NCGL conference plans visit www.glci.org.

Bob Drake, Chair
National GLCI Steering Committee

Upcoming Grazing Events

Aug. 7-8 Nebraska Grazing Conference, Kearney; see http://www.grassland.unl.edu/grazeconf.htm)

Sept. 12 Kentucky Forage And Grassland Council Field Day, Dobbs Shady Meadow Farm, Campbell County. Learn more at www.uky.edu/Ag/Forage.

Nov. 21 Kentucky Grazing Conference, Lexington. See www.uky.edu/Ag/Forage.

Dec. 10-13 Third National Conference on Grazing Lands (3NCGL), St. Louis, MO. See www.glci.org

Jan. 24-25 Heart Of America Grazing Conference, Mount Vernon, IL. Contact Garry Lacefield at 270-365-7541, ext. 202, or glacefie@uky.edu.

Thank You & Welcome

The GLCI organization extends a sincere thank you to Sharon Hoffeld for her years of service in designing and distributing the GLCI News. We wish her well in her retirement!

And, with this issue, we welcome aboard Alaina Pierret who will take on the new role of graphic designer for the GLCI News along with her duties as director of field services with the Louisiana Cattlemen's Association.

To have your GLCI activities or upcoming events highlighted in this newsletter, contact Kindra Gordon at phone 605-722-7699 or kindras@gordonresources.com

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Visit the GLCI homepage at http://www.glci.org

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