

Attention to Details is Worth \$1,247,872.50

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Occasionally, it is all right to wonder and ponder. If you don't think so, think again. Realize that the world will pass you by if you don't take time to wonder and ponder.

In reflecting on our lives, we need to ask what we actually learned in each phase of life. The answers can be puzzling, especially if someone actually recorded what we did.

We all struggle to do things right, to do the best we can and, hopefully, to achieve the desired success. Life has many tangible and intangible processes that culminate in what we would call our life.

As beef producers, we explore and think through our efforts that are engaged in and dedicated to a four-legged critter that commonly is called a cow. Hopefully, some thoughts are triggered and progress made.

It is the summation of progress we achieve that allows for the stamp "it's a good life" to be pressed on us as we pass by. The point is to search why or why not we do what we do in respect to the many things we do while raising beef cattle.

An interesting piece of data was published on the North Dakota Farm and Ranch Business Management program Web site (<http://www.ndfarmmanagement.com>) regarding net return per cow. Using averages since 2000, the industry and cow-calf producers have done quite well.

The net return per cow for North Dakota cow-calf producers was \$123.60 in 2000, \$93.16 in 2001, \$64.87 in 2002, \$106.54 in 2003, \$190.01 in 2004, \$217.50 in 2005 and \$103.86 in 2006. The industry and cow-calf producers have seen some profitable dollars in their respective enterprises, allowing cow-calf producers flexibility in the future.

Perhaps the message should end there. We could quit thinking and simply go home and, perhaps, raise more cows. But no, let's ask another question. What is the difference in net return per cow for the lowest 20 percent versus the highest 20 percent of cow-calf producers?

The spread in net return per cow between the lowest 20 percent and the highest 20 percent was \$211.74 in 2000, \$243.11 in 2001, \$210.94 in 2002, \$243.98 in 2003, \$264.44 in 2004, \$257.42 in 2005 and \$232.23 in 2006.

In this century, cow-calf producers have averaged \$128.51 net return for seven years. The difference between the lowest 20 percent and highest 20 percent has averaged \$237.69 during those same seven years. Jerry Tuhy, Dickinson Farm Business Management instructor, and I reviewed the numbers. Tuhy noted that based on an average herd size of 150 cows, showed a producer would have had \$134,935.50 to apply to other activities besides taking care of the cows.

Even more astounding and certainly worth pondering is that the upper 20 percent of the herds had \$249,574.50 more income than the lower 20 percent since the year 2000. As Tuhy noted, producers who get it right and stay in the cattle business for 35 years appear to have \$1,247,872.50 more money for their operation than those who don't.

It is amazing that some still wonder why they need to think outside the box and spend time learning, implementing and evaluating processes within their operation. The answer is simple. Good management and attention to detail, based on the average herd size of 150, was worth \$1,247,872.50 from 2000 through 2006.

So, keep thinking and, above all, challenge yourself to set good goals and then meet those goals so you can enjoy and contribute to the well-being of those around you. Enjoy the read, if for nothing else, to make you think.

May you find all your ear tags.

Your comments are always welcome at <http://www.BeefTalk.com>. For more information, contact the NDB-CIA Office, 1041 State Ave., Dickinson, ND 58601 or go to <http://www.CHAPS2000.com> on the Internet.

**Difference in Net Return
Per Cow: 2000 to 2006**

TOP 20%

\$237.69

BOTTOM 20%

Annual Reports 2000 – 2006 State Averages, North Dakota
Farm and Ranch Business Management Program
(www.ndfarmmanagement.com)