

BeefTalk: Pausing to Ponder the Future of Beef

Beef Business: What Will Work?

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Excess overhead will not work.
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In a broad sense, cattle production includes the grass, cow and beef industries. The grass industry accepts harsh environments, the cow industry tries to avoid harsh environments and the beef industry tries to design away harsh environments.

If one keeps score, there is no and should not be an apparent winner. One thing is for sure: The cow is a ruminant designed to flourish on material humans cannot eat.

Swine or poultry compete directly for food sources humans consume. The cow does not compete directly, but when grain was relatively inexpensive, the cattle industry has competed for the same grain that swine, poultry and humans consume.

As one searches for a reason to produce beef, maintain cows or manage grass, remember how recent decades have twisted the future of beef. This is precisely why some time needs to be spent pausing and pondering.

If one broadens the grass world to forage or even include all plants, there has been considerable time spent on seed yield and less effort on forage yield. As plants are selected genetically or managerially to maximize seed production, edible nutritional products maintained in the leaves and stems may be minimized. This has resulted in decreased forage quality and limited forage acceptability as a grazing plant. Plants that fail to be the best yielding are discarded.

Perhaps a few may have caught the eye of a breeder and been set aside for later evaluation or a plant may have been picked up for inclusion in a forage breeding program, but there has not been a concentrated effort to improve forage plants.

In 2010, the Dickinson Research Extension Center evaluated 33 barley, 50 durum, 49 hard red spring wheat, 33 oat, 22 winter wheat and 20 white spring wheat varieties. The center also conducted variety trials on nontraditional crops. These included 15 varieties of peas, nine winter rye, three winter speltz, eight emmer, 10 potato and three winter triticale varieties. Where are the forage plant evaluations?

This reality places the discussion of the future of beef in a dilemma. Is that future constrained by the current anticipation or expectations of crops or is that future independent of the status of crops?

Recently, I attended two meetings. The first meeting reflected on having a strong business sense and doing managerial fine-tuning. In the future, the beef industry will utilize more business planning and expanded markets.

Profitable beef means utilizing key financial tools integrated with managerial flexibility. As a low-margin business, beef managers need to excel in working with tight margins and have standard operating procedures guiding daily production.

The second meeting placed the beef business as a grass-based business. Business planning was noted, but low inputs were seen as a key to success.

Proper grass utilization means assuring good soil returns a cash crop of beef and builds land equity. Is the future of beef a residual, low-margin side business of crop agriculture or is the future of beef a residual, low-input side business of grassland agriculture? Does the beef business measure inputs and outputs while producing a food product recognized for its nutritional value and eating pleasure?

All three realities exist. Operators involved in the different phases of the beef industry become very adamant that their approach is right. The beef industry is big and all can exist. However, what is the future of the beef business?

The beef business is not and will not be a simple business with cookie-cutter solutions. The business will remain hard work that has low margins and low inputs.

Excess inputs will not work. Excess regulation will not work. Excess overhead will not work. Excess employees will not work. So what will work? I am going to keep pondering.

May you find all your ear tags.