

BeefTalk: Future of Beef Revisited - Industry Integration

Today's producers need to understand the challenges of the grass industry, the cow industry and the beef industry.

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Those of us in the beef industry have two big questions to ponder in the future:

- How much do we actually change or accept based on what we deem appropriate?
- How much have we changed based on what is around us rather than our own decisions?

Of these two distinctly different questions, one we control and the other we do not. Is our future actually us, or do we simply review the past, become part of a trend line and keep going?

Trend lines, particularly with the acceptance and usage of the internet, are easy to develop, portraying the future as the end of a trend line. Do we want our efforts and lifestyle simply to be the end of a trend line?

At the end of the day, are our actions simply instinctive, a product of our genomic makeup? Or do we actually determine, after much learning and insight, to keep straight, turn left or turn right?

Envision the hectic pace of a trading pit, with buyers and sellers all gathering data, reading trend lines and then processing buy-sell orders. We may know someone who has made a good living understanding markets, and buying low and selling high.

Today, many of those processes have been "electronified," further removing the "we decided" and replacing the human element to the extent that data generate a trend and, at the end of the trend line, we simply pick up the answer.

These processes can be modified in minute fractions of seconds, playing off each other faster than we even can comprehend. So yes, cattle producers need to understand markets; however, life does not rest in a trading pit. Life should not be simply waiting for the computer to beep. Life is much more, and within the "more" rests the business of the cow.

The cow is fundamental. Despite all the charts, trends and rhetoric about the business of beef, the cow business is the foundation and focal point. No cows, no beef, no beef business. The appropriate title should be the future of the cow business.

So to recap, the beef industry is dependent on many, many scenarios, each playing with other scenarios as a new beef industry slowly evolves. The individual scenarios, at least those defined in the fall of 2006 by the Agricultural and Applied Economics Association and published as a discussion in the journal Choices

Images



The Future?
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(<http://www.choicesmagazine.org>, Volume 21, No. 3, 2006), focused on seven issues that impact subsequent beef scenarios. They are:

- Markets, structure and competition
- Value of integrated markets
- Increasing demand
- Environmental regulation and litigation
- Immigration and labor
- Animal identification and traceability systems
- Community impacts

Each issue is codependent on the others. Failure of any particular segment will impact the rest of the business negatively.

Can the cattle producer drive all the issues? Probably not because the mind can handle only so much. As the evening comes to a close, the chores are done and then the mind starts in again: “What can I do to drive the future? Who is actually in control? Does the truck that hauls the calves off at sale time have a predetermined path?”

At least the Dickinson Research Extension Center, when looking for opportunities for beef producers, has found opportunities that can have a very positive influence on the success of the cow-calf enterprise. Where are those opportunities? For the most part, they rest in better understanding of the soil, the plants that grow from the soil and the animals that utilize the forage.

For example, one opportunity is simply understanding forage. The cow business passes the baton to the expanded beef industry when the calf is sold. When do the calves need to be sold? Cows and calves consume grass. The future of grass is vital to the future of cows. The future of cows is vital to the future of the beef industry.

Futuristically, as the baton is passed between segments of the industry, a good understanding of all the segments is needed. Keep in mind that the front end of the beef business has some uniqueness.

The daily chores are very labor intensive, and the environment presents challenges that can impact labor in a heartbeat; these are at the core of a successful cow-calf operation. The problem is in understanding the challenges of the grass industry, the cow industry and the beef industry.

Currently, each industry passes resources up the chain with an expectation of a reasonable return on investment. More investment to offset labor keeps on knocking at the door, but excess investment can diminish producer returns.

Who is expected to carry the portfolio that incurs the fixed costs of each industry? That is a tough question.

The cow-calf producer certainly feels the squeeze to cover total costs when calf prices are challenged. Historically, the hat tipped to concentration and specialization. But environment and labor answers are not in yet. Keep pondering.

May you find all your ear tags.

For more information, contact your local NDSU Extension agent (<https://www.ag.ndsu.edu/extension/directory>) or Ringwall at the Dickinson Research Extension Center, 1041 State Ave., Dickinson, ND 58601; 701-456-1103; or kris.ringwall@ndsu.edu.

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Attachments



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