

BeefTalk 792: Think Smart, Not More Work

Aggressive cattle producers need to continue exploring how to improve their business and performance records.

Several years ago, “contentious readability,” or put another way, “drowning in paperwork,” was a new problem for beef producers.

Today, the ultimate long-term solution still evades us, but a “kind of” answer was found.

How often do producers simply find themselves with too much paperwork? The original thoughts were sourced back to the need, or at least perceived need, for age and source verification.

Paperwork and processes were developed to assure cattle verification by a unique animal identification number as cattle moved along the market chain. As the animal went further down the marketing chain, pressure mounted to assure compliance with the original intent of the animal purchase.

At best, individual animal verification on the farm was burdensome and not a welcomed component of daily management among many cattle producers. Thus, the term “contentious readability” was created because the added paperwork was challenging.

Program costs were very clear. Marketing incentives were generally unclear. The ultimate price of a calf was very much dependent on a commodity-based market. Yes, premiums could be located, but in any given market, they were difficult at times to pinpoint. Without a strong market incentive, the ultimate answer was obvious.

As I noted, a “kind of” answer was found. Without being blunt, associated paperwork for many of the programs was simply set aside before any real benefits could be identified. Don’t get me wrong: We continue to have efficient programs to age and source calves, as well as support other marketable claims approved by the U.S. Department of Agriculture (USDA) - Agricultural Marketing Service. And even more importantly, export markets still require participation through the USDA Agricultural Marketing Service’s Export Verification programs for the industry.

Numerous companies or organizations offer services that aid producers in integrating the beef cow-calf producer with the beef industry’s response to meet various legal requirements for producing and marketing beef in the U.S. and internationally. However, individual producer efforts appear to still struggle. Although the opportunity is still there, reachable and manageable, producer understanding and implementation still lag behind similar efforts in other countries.

For many cattle producers, the “contentious readability” gave way to the tried and tested method: a handshake. There is nothing contentious about a handshake. Let’s shake on it; end of discussion. A longer-termed, streamlined solution seems to be mentioned occasionally, but not with a lot of energy.

In many respects, the cattle business has settled back into business as usual. A simple paper receipt for payment of goods or services is a standard business practice. Even in the least of transactions, a receipt is offered, although some enterprises no longer provide an automatic receipt if the purchase value is less than a certain amount.

The answer to the point-of-sale question “Would you like your receipt?” is often “no,” and the clerk simply throws the wasted paper. For those who say “yes,” an apparently harmless piece of paper that accompanies a transaction is tucked away for the trip home. For many, these pieces of paper pile up and often are set aside until a strong urge for more space wins the debate and the piles are trashed, soon to be replaced by new piles.

Involvement in USDA Agricultural Marketing Service Export Verification programs certainly would not pass an audit under those business practices. The business side of the cattle world has not gotten any simpler. The need to not only keep the simple business receipts, but involvement in any third-party process-verified program as well, means an improved accounting and auditable process.

Oftentimes, the cattle operation has no bookkeeper, no accountant and no recordkeeper, just a good calving book on the shelf and some receipts and income statements for the tax appointment. Regardless, the point is that if we have no records or involvement with record processes, we are not “drowning in paper work.” Thus, this is the apparent solution to the problem.

But the problem is really a challenge to the producer. Again, what is the long-term solution? Aggressive cattle producers need to continue to explore how they might notch up the business and performance records on the operation and may even ask, “How can I get involved in process verification programs?” Maybe the “contentious” simply needs to be addressed and resolved, and the producer can move on.

May you find all your ear tags.

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