



## BeefTalk 650: Have You Done the Annual Ranch Enterprise Analysis?

### SUPPORTING MATERIALS

#### The North Dakota Farm Management program

"The farm business management education programs ... are designed to provide education to farm owners and operators or persons interested in farming. The purpose of the program is to assist clients in meeting their business and personal goals. This is best accomplished through the use of quality records and sound business decisions."

— [ndfarmmanagement.com](http://ndfarmmanagement.com)

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Time is ticking away, so in the world of biology, plants are starting to wake up and livestock know that spring is coming. Call it hormones, increasing daylight, warmer weather or simply the calendar, agriculture is living biology. Biology operates under a very set process governed by rules that producers did not make.

Anyway, spring is coming, so the question is: Have your evaluated last year's efforts? The academic response is "yes." However, the classic response is "soon" and the real response often is "oops."

The evaluation of production inputs is the most critical step to success. If there is one topic that routinely draws producers to informational gatherings, it is inputs. How do producers control inputs?

The challenge from the academic side during the discussion of what-ifs or operational assumptions that are made is that

these are developed from gut feelings but may not be true.

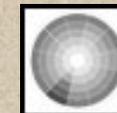
From the producer side, he or she has access to the records but may not actually review the records, so the producer operates from what-ifs and operational assumptions. Like the academic in the same position, the producer operates on gut feelings.

The point is that, as winter quickly comes to an end, the time for engaging production and all associated input costs soon will be the only priority and time will have run out on getting that good evaluation of operational inputs.

However, there still is time to review and make changes. Even if the numbers are not perfect, sitting down and reviewing the input costs is critical. The operational input review needs to be more in-depth than simply doing the taxes.



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To start, producers can sit down and review their own records. However, if history means anything, the evaluation of records is not simple, so the producer ends with the records set aside because numerous production articles and catalogs seem more interesting. In fact, a lot of planning is taken directly from other producer testimonials.

Maybe that is good or maybe not. The important point is to understand one's own operation and what is happening. That is why organizations such as the North Dakota Farm Management (NDFM) program sponsored by the North Dakota Department of Career and Technical Education exist. Most states, if not all, have groups that can assist producers getting started with effective management record programs.

As noted on the NDFM website (<http://www.ndfarmmanagement.com>), "The farm business management education programs provided by NDFM are designed to provide education to farm owners and operators or persons interested in farming. The purpose of the program is to assist clients in meeting their business and personal goals. This is best accomplished through the use of quality records and sound business decisions."

What is the goal? Often, the first question is the hardest to answer. However, producers must be able to express a goal first and then analyze the operational records correctly to see if the goal is being met.

The NDSU Dickinson Research Extension Center's annual production evaluation is held in early to midwinter. The annual review makes sure the center is meeting project goals and allows management to tweak what needs to be tweaked for efficient operations.

If someone says that the management of a ranch or other agricultural enterprise is simple, that person obviously never has managed a unit. Even when the objectives are clearly stated and properly presented, the evaluation of management is never simple. There is always something.

That is not an excuse to not do an evaluation of the operation. As the center completes the evaluation, the future will not only be positive, but also more focused and show a clearer alignment with the center's goals.

Likewise, as producers evaluate their operation, they, too, can become more focused and goal-orientated. At day's end, there certainly is satisfaction in knowing that the operation is on track to accomplish what the individual producer wants to accomplish.

Oftentimes, producers will attend meetings or read articles that seem to express what the beef business is about. That is good, but keep in mind that the beef business is very diverse. What fits one producer may not have anything to do with what fits another producer because the goals may be very different.

However, in the end, the needed accumulation of records and the subsequent analysis of those records are critical to goal assessment and future planning.

May you find all your ear tags.

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

