North Dakota Representative Livestock Farms
Beef Farm Projection: 2017 to 2019

The Situation
U.S. calf prices have fallen from record high levels in 2014 to current levels which along with increasing costs of production have placed many ranchers financial health in jeopardy. Combine that with low grain prices and the situation in the farming community is very uncertain. The low cattle prices are predicted to remain for several years as the cattle cycle works its’ way through which will present both producers and lenders with many unanswered questions and worries about the future.

Impacts
A total of 174 individuals attended the Fall Outlook Conference for Agricultural Lenders in Bismarck and Minot. About 91% of the participants were agricultural lenders and most were from North Dakota. When asked, 86% of the attendees stated that they were likely or very likely to use the information presented for making decisions with in their current job/position. Questions indicated that there was concern among the lender concerning the livestock sector. Several lenders contacted the author for additional information after the conference.

Extension Response
ND Representative Livestock Farm model was updated and presented to the Outlook Conference for Ag lenders in Bismarck and Minot this fall. The results of the model were presented after Tim Petry’s presentation of the cattle market outlook. The model demonstrated to the lenders the impact of current and future prices on producers. The lenders were interested in the cost side of production as the revenue side was for the most part out of the producers hands. The livestock model is based on farms that are enrolled in the North Dakota Farm Business Management Program which targets North Dakota producers. The model was constructed in the fall of 2014 and updated in 2015 before the NDSU Extension Fall Lender Conference.

The model forecasts both the level and sensitivity of net income and debt-to-asset associated with various calf prices along with future pasture rents for different regions within the state. The model has the ability to analyze various price and production scenarios to estimate the impact on individual producers.

Feedback
Participants stated:

"I do not know a commercial source where I can get this amount of quality information; especially this cheap."

"This is tailored to Ag lenders in North Dakota more so than other commercial sources."

"Always an excellent resource. Use this information with my clients every year."

"Important source of livestock information, especially in current times."

"I’ll be keeping this information in mind during our renewal season."

"Share with coworkers/clients and use to aid future decisions/discussions.

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