

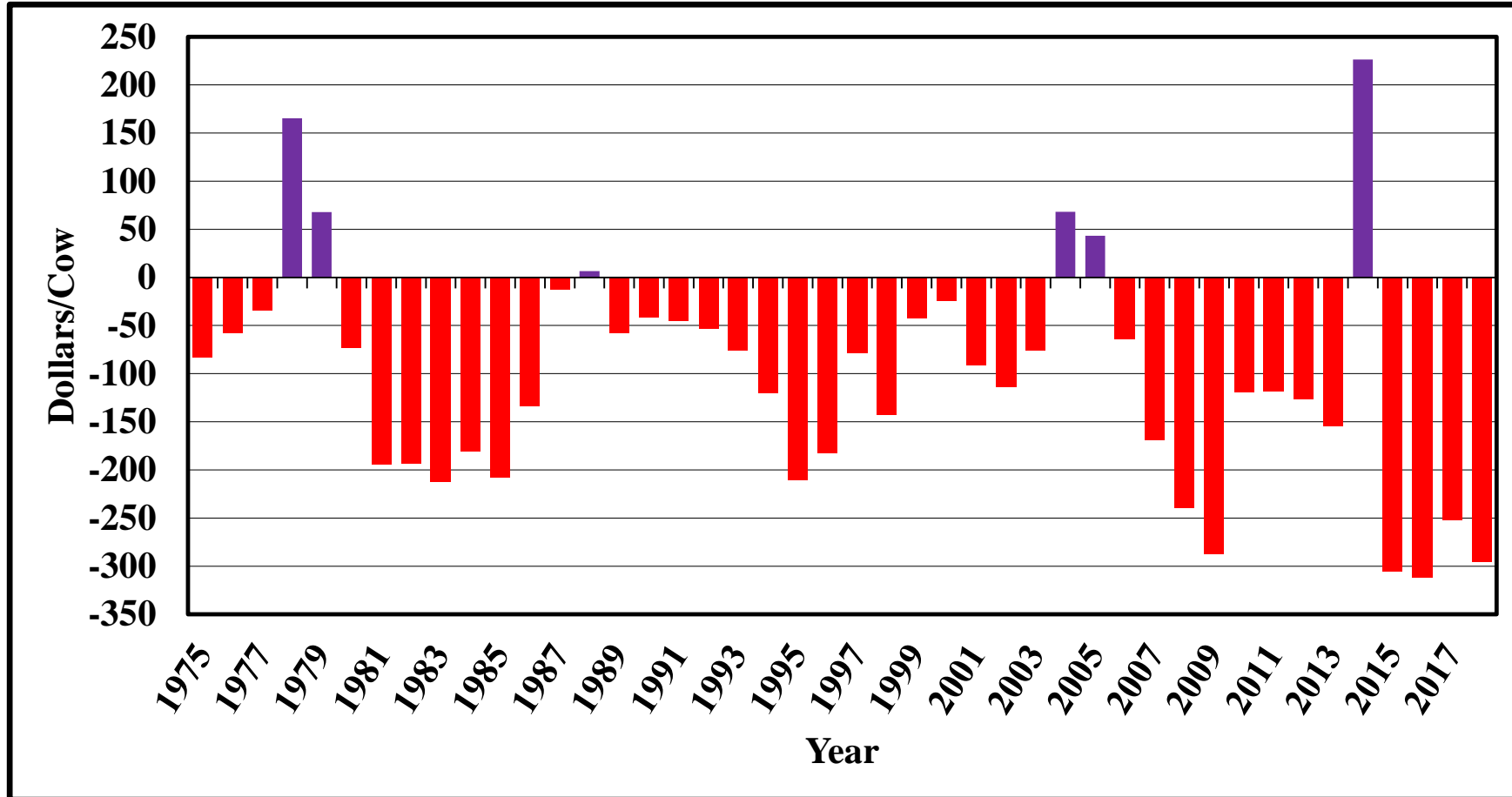
Beef Up Profitability: Where to Focus Management for Success

Whitney Bowman
Kansas State University

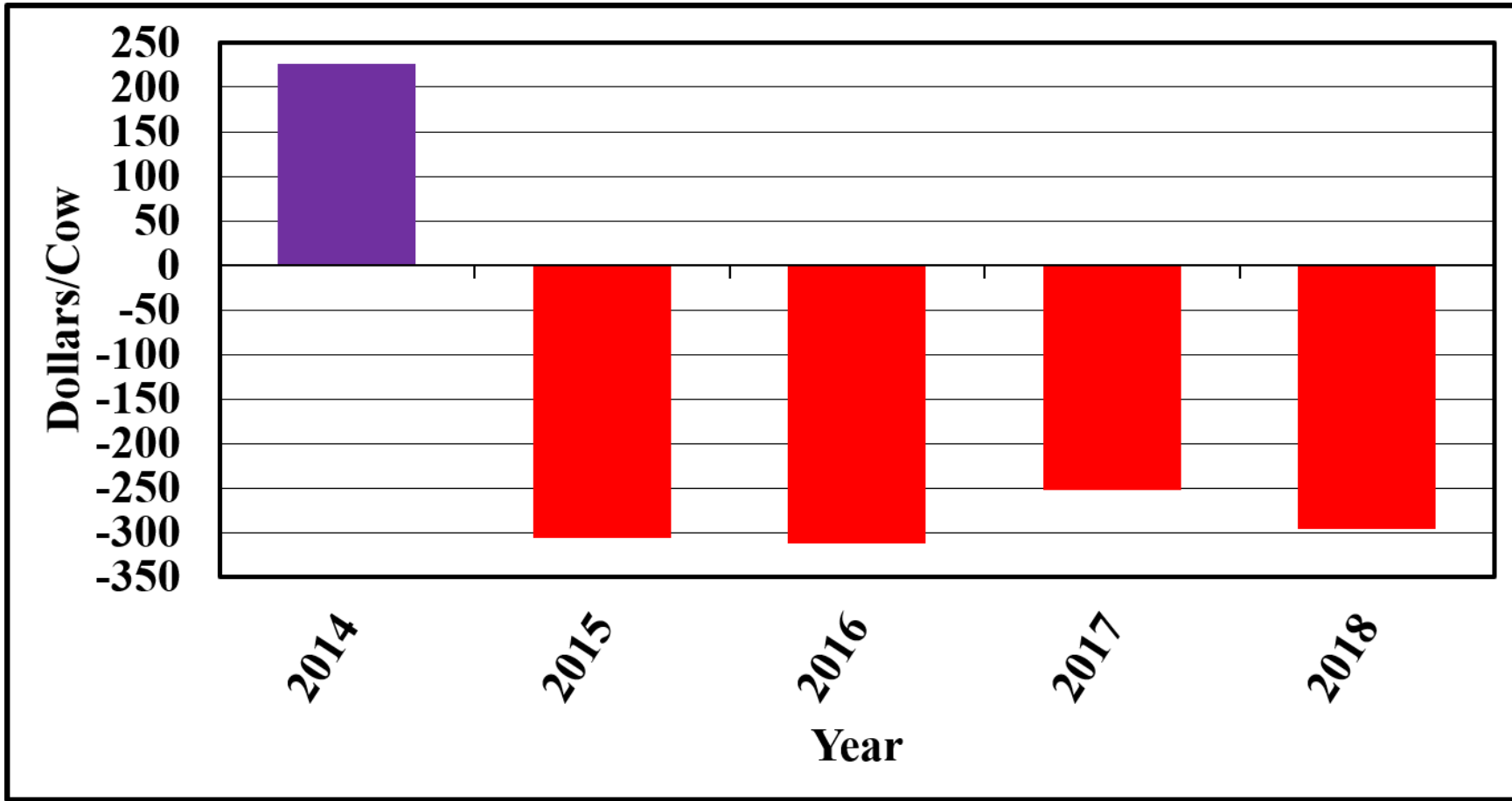
Dr. Dustin Pendell



Return Over Total Cost



Return Over Total Cost



What factors affect profitability
and can be persistently managed
over time?



Research

- 2014—2018 KFMA cow-calf enterprises
 - 71 enterprises with data in at least 3 of 5 years
- Divided into 3 profitability groups
 - High-, middle- and low-profit
 - 24 enterprises per group
- Multi-year average for each producer



Net Return:
\$60.53

High-Profit
Third

Net Return:
-\$155.20

Medium-Profit
Third

- \$41 difference in Gross Income
- \$175 difference in Total Cost
- **\$215.73 difference in Net Returns**



Net Return:
\$60.53

High-Profit
Third

Net Return:
-\$155.20

Medium-Profit
Third

- \$41 difference in Gross Income
- \$175 difference in Total Cost
- **\$215.73 difference in Net Returns**

Net Return:
-\$351.72

Low-Profit
Third

- \$152 difference in Gross Income
- \$260 difference in Total Cost
- **\$412.25 difference in Net Returns**



Net Return:
\$60.53

High-Profit
Third

Net Return:
-\$351.72

Low-Profit
Third

- Larger herds, slightly heavier calves
- 63.1% of difference attributed to cost
 - 48% of cost differences attributed to feed/pasture cost



Target Audience

- Cow-calf producers
- Stakeholders closely involved in the management of their farms, including agricultural lenders and Extension agents
- Bottom third of producers (in terms of profitability)



Goals & Objectives

To improve enterprise profitability of Kansas cow-calf producers by identifying key differences in management and production traits between high- and low-profit cow-calf producers



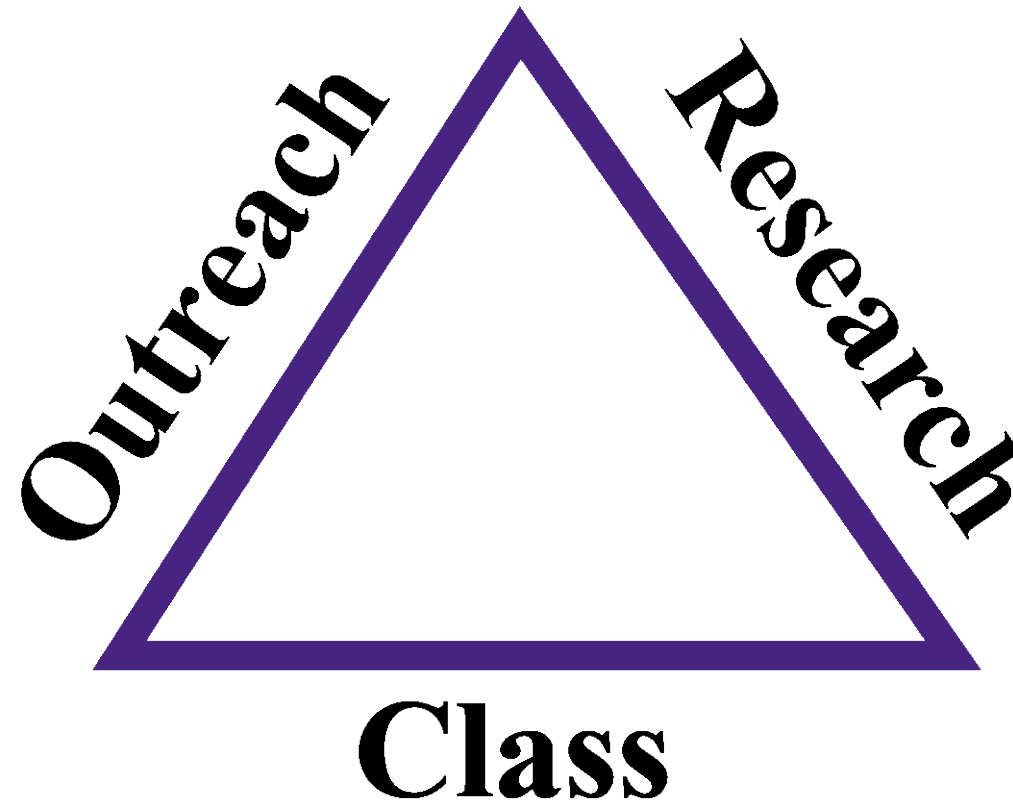
Goals & Objectives

To improve enterprise profitability of Kansas cow-calf producers by identifying key differences in management and production traits between high- and low-profit cow-calf producers



- Provide management recommendations to producers with low profitability
 - First 6 months: Evaluate adoption of new management practices
 - First year: Evaluate profitability
- Engage key stakeholders with results of research to better support cow-calf producers

Program Delivery: Land Grant Model



Outreach: Publications

Kansas State University Department Of Agricultural Economics Extension Publication

09/05/2018



Differences Between High-, Medium-, and Low-Profit Cow-Calf Producers: An Analysis of 2013-2017 Kansas Farm Management Association Cow-Calf Enterprise

Whitney Bowman (wbowman@ksu.edu), Dustin L. Pendell (dpendell@ksu.edu), and Kevin L. Herbel (kherbel@ksu.edu)

Kansas State University Department of Agricultural Economics – September 2018



• : 60,000 page views, 20,000 users annually

Outreach: Publications



Beef Tips



- Monthly newsletter, Kansas State Department of Animal Science
- 8,000 page views annually

Outreach: Radio broadcast, Podcast

K-STATE
Research and Extension

Agriculture Today with Eric Atkinson

A CURRENT-AFFAIRS PROGRAM FROM KANSAS STATE UNIVERSITY



BEEF CATTLE INSTITUTE
KANSAS STATE UNIVERSITY



- Kansas, Colorado, Nebraska, Missouri, Oklahoma

- 1,000 listeners per month

Outreach: Workshops for Producers & Stakeholders



- Risk & Profit Conference, Department of Agricultural Economics
 - 150-170 farmers, ranchers, and stakeholders
- Ag Lenders Conference, Department of Agricultural Economics
 - 80-90 agricultural lenders, 2 locations in Kansas
- Winter Ranch Management Series, Department of Animal Science
 - 50-60 ranchers and stakeholders, 3 locations across Kansas

Outreach: Workshops for Producers & Stakeholders

- For those unable to attend in-person:
 - Recorded presentations available through Zoom platform
 - Slides posted on AgManager.info



In-Class Seminars

- Beef Systems Management course, Department of Animal Science
- Farm Management Strategy, Department of Agricultural Economics
- Direct application of benchmarks covered in class
- Financial implication of production practices

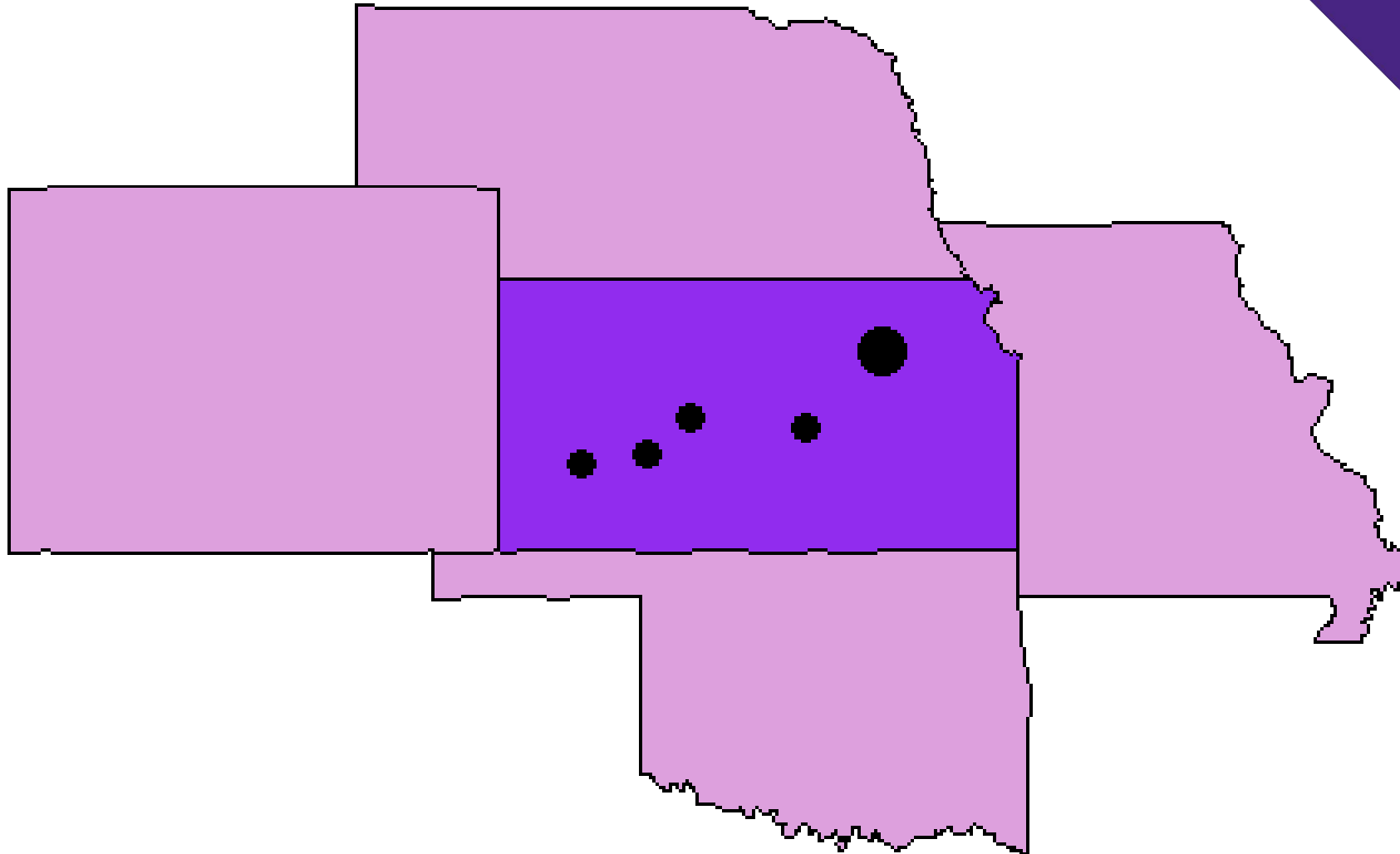


Evaluation

- Pre- and post-workshop survey
 - General interest in the topic
 - Current record-keeping practices
 - Perception of their financial situation relative to others in the region and state



Program Reach



To support producers and evaluate program success:

- First 6 months: Evaluate adoption of new management practices
- First year: Evaluate profitability



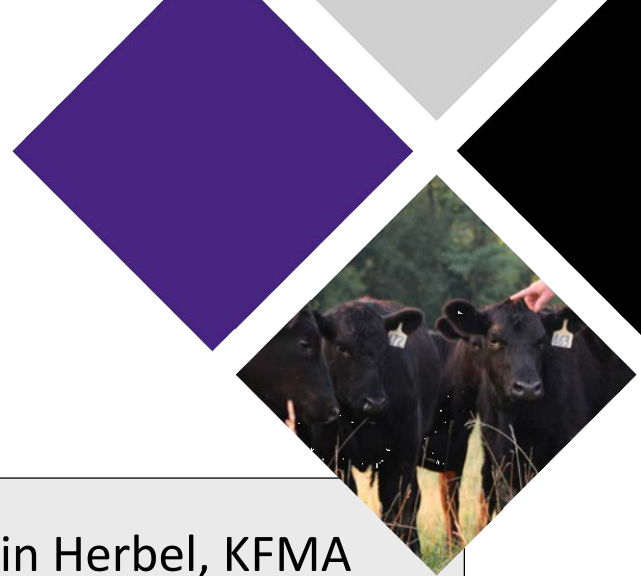
To support producers and evaluate program success:

- First 6 months: Evaluate adoption of new management practices
- First year: Evaluate profitability

- KFMA Economists meet twice annually with producers
 - Will provide training to KFMA economists
 - Producers will complete a survey regarding management practices
- Financial health and profitability will be evaluated as part of 2019 KFMA farm analysis



Program Team



Whitney Bowman



Dr. Dustin Pendell



Kevin Herbel, KFMA
Executive Director



KFMA Economists



Dr. Rich Llewelyn



Dr. Bob Weaver,
Department of Animal
Science



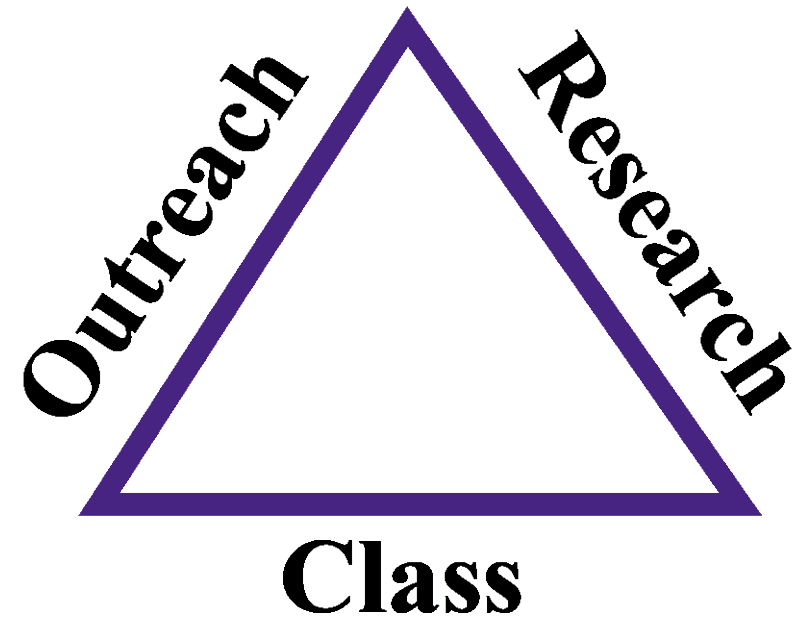
Eric Atkinson, KSRN
Agriculture Today



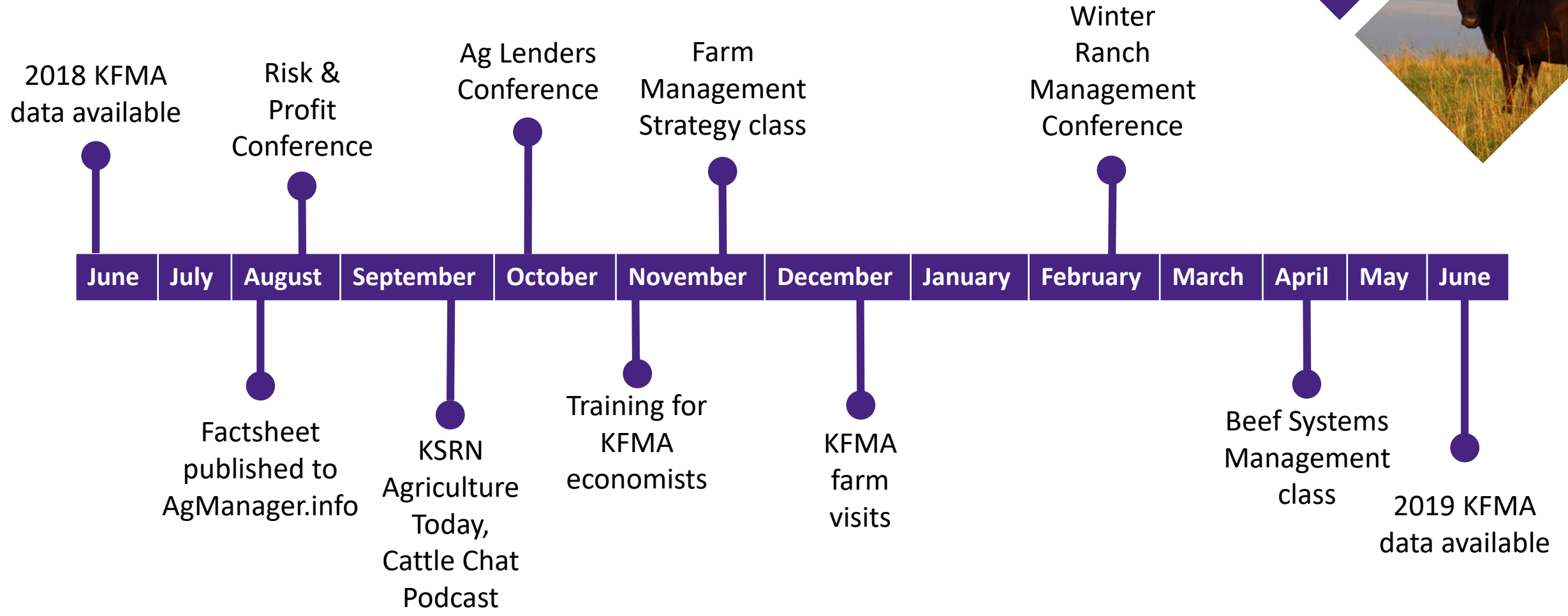
Agricultural Extension
agents

Future Research

- Cost management vs. Marketing
- Farm income volatility
- Animal husbandry



Timeline



Thank You

Questions?

