



Vet Call

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Demand more from your vet

In a quickly changing industry, turn your veterinarian into a key player on your management team.

Managing change

Change is inevitable. The world around us is changing more rapidly now than at any time in human history, and agriculture production is caught up in that change. Although many people are more comfortable with continuity and tradition, those qualities are likely to lead to the extinction of any company, product or production system that must compete on the world market.

Family beef operations of the future must have long-term viability, which means that the production system is compatible with the environment, family, community and economic surroundings. Beef producers must embrace new technology that allows them to be more efficient in producing a low-cost, high-quality meat product. They must become more efficient in marketing that product so they retain a higher percentage of its value.

I recently heard a speaker who suggested that because of the rapid changes taking place in our society (including technology, business and social structure), we are all going through the same stresses and transitions that immigrants to our country have faced since its founding. Just like earlier immigrants, some of us will adapt more quickly than others, and some of us will not adapt at all and leave our children to embrace the “New World” (compare how quickly you grasp new technology compared to your child).

To carry this scenario to agriculture, in “Old World Agriculture” management needs were limited and labor was the primary activity that generated income for the farm and family. In “New World Agriculture” management has become critical, and, in order to compete globally, labor costs must be kept low. Therefore, if we still derive most of our income from labor, we are competing with low world labor prices.

If, however, we want an income that is in line with other managers of mid-sized businesses, producers have to move beyond being laborers and become farm managers, or chief executive officers (CEOs), of their

farms or ranches. In fact, farming is already part of corporate America, as farmers are increasingly hiring labor rather than depending on family labor, using rented land and equipment, and working largely on borrowed capital. Farmers and ranchers are succeeding mostly on the basis of their management skills, just as CEOs do in any industry. And just as a CEO is not expected to know everything about his or her company, farmers and ranchers can also have people who serve the same roles as “heads” of production, marketing and finance, providing consultation to the CEO.

An important consultant to your business should be your veterinarian.

Great expectations

In order for your veterinarian to serve effectively on your management team, your expectations for your veterinarian must change, and, in many cases, your veterinarian must change the services provided. Just as in the “New World” for beef production, the “New World” for veterinary medicine has moved away from providing mostly labor to providing management assistance and information.

In order to be competitive in the world market, you must keep the labor costs you pay yourself and others on your farm competitive with world wages. You cannot afford to pay management wages to your veterinarian for labor services. You should, however, demand management-level services for the wages you pay both yourself and your veterinarian.

Other changes you should expect or demand from your veterinarian are: a shift toward specialization in beef cattle, with your veterinarian receiving extra training and focus in the area of beef production and management; fewer veterinarians being involved in the beef industry; and billing based on time and knowledge rather than labor.

An honest opinion

The role of department heads or

consultants in any business is to provide accurate assessments and recommendations for improvement in production, profits and public relations to the CEO without worrying whether that is what the CEO wants to hear. You should expect your veterinarian to assess your situation and make recommendations that could resemble the following:

- Your cattle are currently not efficient enough to compete against the other protein sources in the commodity market.
- Your marketing plan needs to be explored to be sufficient for the next century. You need to retain more value.
- You need to focus on what you will get paid for — feed efficiency and reproductive efficiency.
- You must also focus on, but may never get paid for, product taste, tenderness and safety.
- Your nutrition program needs refinement (for example, costs could be lowered and/or timing of supplementation could be improved).
- Your health program needs to be based on optimum efficiency, tying together nutrition, vaccination and biosecurity.
- Presently, having low debt loads and low costs is more important for farm and ranch profitability than high production levels. But, in the near future, as some producers greatly increase production efficiency, being low-cost without high production will not be enough to allow you to compete with other beef producers and other protein sources.

If the relationship you have with your veterinarian does not allow you to get this type of candid assessment and information, then you both need to sit down and discuss your goals and expectations so that your farm or ranch can compete globally in the “New World” of the consumer-driven protein marketplace.

Change is inevitable. The way we view ourselves, as farm/business managers and the relationship between veterinary medicine and beef production are areas where change can exert very positive influences on the long-term profitability and sustainability of beef production, making it a more promising career in agriculture.

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