

Beef Industry Career Checklist

Consider these eight skills essential for young people planning a future career in the beef industry.

by Kindra Gordon

The 2007 U.S. Department of Agriculture (USDA) Agriculture Census revealed a striking — if not alarming — trend: The average age of farmers is 57, and the number of farmers over the age of 75 grew by 20%.

This signals that a large number of American farms and ranches will change ownership in the next decade — either through inheritance or to a new buyer. While it is a concern that agriculture has such a large aging workforce, it's a trend that may also spell opportunity for young people hoping to get into agriculture.

This is a time of opportunity, says Jason Ahola, an Extension beef specialist with the University of Idaho. "Even with new challenges and elevated costs, today might be a great time for young people to get into the beef industry."

Ahola bases his optimism for the future potential of the beef industry on several current facts:

- ▶ The U.S. beef cow herd inventory is declining, which will result in a relatively small calf crop (possibly the smallest in 35 years). Looking to the future, fewer calves typically results in higher calf prices, as long as demand remains stable.
- ▶ Global beef demand continues to increase substantially since it is closely following the Gross Domestic Product (GDP) growth of countries like China and India.
- ▶ Compared to competing animal protein sources (poultry and hogs), the ruminant is the only animal able to take advantage of readily available

low-cost feeds like straw, cornstalks and rangeland grazing.

- ▶ Marketplace premiums for adding value to calves are now a reality, including age and source verification, preconditioning programs, and natural and organic claims. However, most producers aren't taking advantage of these methods to increase income.
- ▶ Several low-cost technologies are available to improve production efficiency and product quality, but they are rarely used. These include sexed semen, electronic identification (eID), computer software for individual animal management, and genetic tests to improve selection.

"Being an optimist and taking into account these points, right now is a great opportunity for young people to get involved in the beef industry," Ahola says.

New skills needed

However, just because opportunities exist, Ahola cautions that those who want to be part of the future beef industry do need to prepare differently.

"The new era of beef producers must work within a completely different set of paradigms in order to succeed, including high-priced grains and forages, elevated diesel and equipment (e.g., pickup and tractor) costs, and an inability to purchase grazing lands with cow-calf income alone," he says.

He adds, "Future beef industry leaders need to be savvy in both animal husbandry and business. It is no longer possible for 'real-world' experiences alone, or only a university education, to provide adequate training."

Here is Ahola's list of skills and characteristics that young people need to have for a successful future in the beef industry:

Know the globe: Today's beef industry is a global business, Ahola says. It has become increasingly important to understand societies, markets, trade, world supply and demand, and the interrelation of major markets (e.g., oil, grain and meat). He points out that only about 14% of the world's beef cows are in the U.S., but greater than 95% of the world's population — potential beef consumers — are outside of U.S. borders.

Be a communicator: Without question, communication skills are the most important set of skills any young person can acquire to ensure a lifetime of success, Ahola says. These include interpersonal and public speaking, writing,

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listening, negotiating, moderating and mediating skills.

“Working in the industry requires daily communication with everyone from ranchers and suppliers to retailers and consumers,” he adds.

Learn a language: “As exports play a larger role in the U.S. beef industry, we will need greater representation in foreign markets to be competitive,” Ahola says. “We’re in a global economy — there are over 250 different languages that are spoken by at least 1 million people, and 65 of those languages are spoken by at least 10 million people each. And, learning a foreign language as a young student is much easier than as an adult.”



Jason Ahola

Have sales and networking skills: Ahola notes that although sales jobs are unappealing for most people, it’s amazing that nearly every occupation (with the possible exception of manual labor jobs) require skills in ‘selling.’ These skills can be developed by young people if they build a network and a set of contacts, he suggests.

“Join, be active in, and work with an industry association, organization or group. In addition to learning how to ‘sell’ yourself, these opportunities enhance information sharing, teamwork and collaboration,” Ahola says.

Acquire database skills: Cattlemen are becoming swamped with information, and unfortunately, limited value is being extracted from data collected today compared to what is ultimately possible, Ahola says. Thus, he suggests to the next generation of beef producers that general computer proficiency should complement skills in compiling, summarizing and interpreting data using spreadsheets and database programs.

Study every segment: As the beef industry moves toward integration, albeit slowly, it is becoming increasingly important to intimately understand every segment of the beef industry, including the seedstock, cow-calf, yearling, feedyard, packing, retail and foodservice sectors, reminds Ahola.

Know commodity markets: “With today’s extremely volatile prices for all commodities, it will continue to be vital to understand commodity markets,” he says. “This includes the buying and selling

of commodities, risk management, and management of cash flow and debt loads.”

Understand planning and supervision: Ahola notes that there has been strong interest by investors outside the industry to develop and implement business and marketing plans for potential beef operations. Of this, he says industry newcomers are seeking young individuals with an ability to plan and execute while supervising others.

“Don’t just work in manual labor jobs and learn only animal husbandry skills,” Ahola advises. “Become competent in interpersonal interaction and oversight. Supervisory skills can’t be taught — they must be developed through experience.”

The bottom line

Looking to the future, Ahola says, “With the major generational transfer of farms and ranches to come, youth are being given a major responsibility.”

He points out that the strength of our nation and its democracy depends on a strong, viable, and progressive agricultural economy — and the beef industry is the largest single segment of U.S. agriculture.

But with the responsibility comes opportunity. “Progressive youth should embrace this opportunity and self-direct their education to prepare for their future,” Ahola concludes. “Today is truly an exciting time for young people to be entering the U.S. beef industry.”



Editor’s Note: In September, Jason Ahola will join the animal science faculty at Colorado State University.

Becoming a beef producer: Is it still a possibility?

How can a beginning farmer or rancher start their own operation if they aren’t going to inherit one or don’t have the cash to make the initial investment in cows and land? University of Idaho Extension beef specialist Jason Ahola says there can be some creative options.

“Some young people have become successful cow-calf producers by taking a wholly different approach to acquiring cows and/or land,” he says. Here are some ideas to consider:

1. Lease the land. With a few exceptions, it seems that land ownership is not feasible, Ahola says. Instead, leasing grazing land may be an option, particularly if absentee ranch owners in an area are not interested in owning cattle, he suggests.

2. Buy “off-season” cows. Ahola suggests buying young non-pregnant or very late-bred cows in the fall (that were previously intended for harvest) as a strategy to begin a cow herd at a reduced cost. But, with this strategy he cautions that a strict biosecurity program must be followed to avoid introduction of contagious reproductive diseases from open cows.

“If a cow is open due to inadequate nutrition or management, but not disease, it’s possible she can be bred back if managed well with good nutrition,” he says.

3. Share agreements. Managing cows on “shares” has allowed some to get into the cow-calf business, but the practice requires that cows be owned by someone else. Ahola says this arrangement can help limit risk, but it also may make long-term plans difficult to develop. Similarly, entering into a contract to provide calves to a feedyard or integrated beef company may help limit risk and ensure predictable cash flow.

4. Look at yearlings. “In reality, the easiest way for a young person to get into the beef business may involve starting a yearling or grass-based calf growing operation. During the past 20 years, yearling operations that have purchased and grazed lightweight calves on grass have been the most consistently profitable beef industry segment,” Ahola reports. This is an appealing option due to a relatively low cost of gain, the fact that it’s a margin business, and the relative ease of entering or exiting the business based on level of profitability, he adds.

5. Look for assistance. Several new beginning farmer/rancher programs are now available, according to Ahola. As one example, the Nebraska College of Technical Agriculture (NCTA–Curtis) has a special program to return college-educated young people to ranches and rural communities with 100 cows in tow (www.ncta.unl.edu). This new program, the NCTA 100 Beef Cow Ownership Advantage, brings together students, parents, employers, and agencies to create successful business plans and ranch transfer programs.