

# Young Producer Symposium

**Y**oung producers were the focus of a May 31 symposium kicking off the 2017 Beef Improvement Federation Research Symposium and Annual Convention hosted by the University of Georgia in Athens May 31-June 3. The popular venue featured real-world advice for young cattlemen looking to get their start in the business. Presentations included:

- ▶ Mississippi State University Extension agricultural economist Curt Lacy discussed the importance of having a business plan and options for financing.
- ▶ Kevin and Lydia Yon of Ridge Spring, S.C., shared their

experience transitioning from managing a herd to establishing their own, then bringing in the next generation.

- ▶ Blogger, ag journalist and millennial mom Amanda Radke of South Dakota urged conference attendees to know their consumers and to use their communications skills to make a connection.

The summaries that follow are part of the *Angus Journal's* online coverage of the BIF Symposium. Visit the newsroom at [www.bifconference.com](http://www.bifconference.com) for additional coverage, including summaries, proceedings papers, PowerPoints and audio to the presentations.

## Have a Plan

Farm management specialist offers young producers tips for financial planning.

by **Troy Smith**, field editor

**‘F**ailing to plan is planning to fail.” That adage is often attributed to Alan Lakein, a writer of books about time management. Yet former British Prime Minister Winston Churchill and U.S. Founding Father Benjamin Franklin each have been credited with quotes consisting of only slightly different wordings. Regardless of its origin, the maxim is one that farm management specialist Curt Lacy uses to advise young, beginning cattle producers to heed.

Lacy, a Mississippi State University Extension professor of agricultural economics, talked during the Young Producer Symposium in Athens, Ga., about the importance of having a business plan. The program targeting aspiring beef cattle producers was hosted in conjunction with the Beef Improvement Federation annual convention May 31-June 3.

“A business plan has two purposes,” stated Lacy. “It states what you want to do, so it guides your management team in making decisions to meet specific objectives and goals. It also helps you get the money to do it, by demonstrating to a lender that the business is feasible.”

Before sitting down to prepare a business plan, Lacy advised his audience to consider certain basic truths about business economics and financing. To begin with, anyone producing for a commodity

market must understand that, long-term, the price of a commodity will be approximately equal to the average cost of its production.

“That’s why there’s an advantage in being able to do it cheaper — to be a low-cost producer,” explained Lacy.

A second basic truth is that, usually, there are significant reasons why others are not engaged in certain kinds of enterprises. When considering a start-up business that serves a niche market with little competition, Lacy advises would-be entrepreneurs to find out why so few others are doing it.

Thirdly, Lacy told listeners that any enterprise can be profitable if the price received for the product is high enough, but what price will the market support?

Next, Lacy reminded his audience that the best marketing plan begins with a thorough understanding of the cost of production. Producers must know all of their costs in order to determine if the business is profitable.

Lastly, Lacy reminded young producers that lenders really do consider the reputation and character of loan applicants. Many times, the decision to approve or deny a loan hinges as much on the person as his or her plan. However, that does not discount the importance of a business plan.

“Most lenders want to know two things: How much do you want? Can you pay it back?” said Lacy, emphasizing that the plan should show that the proposed business will make money and the loan can be repaid.

While the components of a business plan can vary, Lacy said a complete plan must contain the



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PHOTOS BY ANGIE DENTON

following: a business description including mission statement, objectives and goals, a production plan explaining what and how a marketable product will be produced, a financial plan illustrating that the business can make money long-term, a marketing plan and a risk-management plan.

### The Three Ps

Lacy advised the audience to remember “The Three Ps” of financial sustainability. The first “P” stands for profitability over the long run. The second “P” stands for payments. Can you maintain cash flow and pay bills in timely fashion? The third “P” represents position or solvency. Is your financial position improving over time, as indicated by a declining debt-to-asset ratio?

Lacy emphasized a smart approach to determining profitability, which starts with the inclusion of all costs. Costs associated

with management must be included, along with operating expenses such as feed, seed, fertilizer and machine repairs, fixed costs like interest and depreciation, and labor. While figuring total costs on the basis of dollars per cow may be useful for some things, calculation on the basis of dollars per unit of product sold is necessary to determine profitability.

“Cattlemen sell pounds, and they need to know what it costs to produce a pound sold,” said Lacy.

### Financing options

Discussing options for obtaining financing, Lacy said the conventional way is through commercial banks or the Farm Credit system, but the USDA Farm Service Agency and certain state agencies also provide options that may be advantageous

to young producers. He also noted lease-purchase and share-rental agreements as potential avenues to establishment of new cattle operations.

For those determined not to fail for lack of a plan, but in need of help, Lacy recommended a University of Minnesota website dubbed AgPlan. Created by the University’s Center for Farm Financial Management, the site’s sole purpose is to aid rural businesses with business plan development. Lacy suggested that interested parties try one of AgPlan’s business plan “templates.” Users are guided step-by-step through the process of developing each of the important parts of a business plan. The website also directs users to additional resources. Connect to the site at [www.agplan.umn.edu](http://www.agplan.umn.edu).

To view the PowerPoint that accompanied Lacy’s presentation and/or to listen to his presentation, visit the Newsroom at [www.bifconference.com](http://www.bifconference.com).

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# Starting from Scratch

Kevin and Lydia Yon provide tips for building an operation from the ground up.

by *Mayzie Purviance, Angus Media intern*

**K**evin and Lydia Yon of Ridge Spring, S.C., didn’t have much when they started their journey in the cattle business. After many years of hard work and perseverance, their story of “not much” turned into the classic American dream.

Both majoring in animal science at Clemson University, the Yons met at a Block & Bridle cookout. They hit it off and soon became the perfect team, accepting a position to manage the Angus herd at Congaree Farms near Columbia, S.C.

From 1989 to 1996, life was good for the Yon family. They had three children, lived in a house provided by their employer, were building a strong cow herd, produced their first bull sale in 1990, and were involved in the community.

Fast-forward to 1996: 200 cows later, with three kids under the age of 5 and seven years invested in building a set of genetics, their lives took a turn when the owner of Congaree farms said he wanted out of the cattle business in six months, at which point they would no longer be needed.

The family loaded up and moved to Ridge Spring, S.C., in hopes of finding their niche. They purchased 100 acres from the Watson



► Kevin and Lydia Yon of Ridge Spring, S.C., shared many helpful tips with young producers about trying new things, financial planning, and having a continuous vision of what could be. One that seemed to stick out the most was, “Remember, people are always watching.” Subscribers to the digital edition of the *Angus Journal* can click on the photo above to watch a video about the Yons that appeared on the *Angus Report*, and it is available at <https://www.youtube.com/watch?v=E9IReTmJoU0&feature=youtu.be#t=3m41>.

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family (former customers), 100 head of cows from the Congaree herd, and a small farmhouse. They had no operating cash, no equipment and no clue where this new venture would take them.

After many years of back-breaking labor, the Yons have achieved their dream. During the course of 16 years, the Yon family has “taken in” six different family-owned operations around Ridge Spring, purchased a pecan farm, hosted numerous sales, and have successfully expanded their farm and family.

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financial planning, and having a continuous vision of what could be. One that seemed to stick out the most was, “Remember, people are always watching.”

The people of the Ridge Spring community watched the Yons from the moment they drove into town and realized that they were a quality family. They saw the way the Yon family took care of their livestock and their land. They watched as the Yons became a success in the agricultural industry and as they went out of their way to improve the community. The residents of Ridge Spring took notice of their effort and the love they put into their work every day.

That close scrutiny laid the foundation for opportunities to help get to where they are today.

“If they (members of the community) see somebody that has come in and is trying to improve the whole community, that is maybe a 4-H volunteer, Little League volunteer, volunteer fireman, PTA, you name it,” Kevin said, “more often than not they’re going to want to help you because you’re going to help their family and their community.”

To view the PowerPoint that accompanied their presentation and/or to listen to their presentation, visit the Newsroom at [www.bifconference.com](http://www.bifconference.com).

# Know Your Consumer

Millennial advocate talks about the importance of consumer connection.

by *Shelby Mettlen*, assistant editor

**F**ifth-generation rancher Amanda Radke had a strong message for young farmers and ranchers at the 2017 Young Producers’ Symposium. The blogger, agricultural journalist and millennial mom from South Dakota urged conference attendees to know their consumers.

“There’s so much to think about as we begin our careers in production agriculture, the one that’s easy to forget about is the person you don’t know,” she said, referring to urban consumers who are generations removed from the farm or ranch.

She reminded her audience that person has a vote that can determine how you do your business in the future.

Radke said the word “sustainability” has been stolen from agriculture, and explained that the word really doesn’t represent what farmers strive for.

Farmers and ranchers do better than sustain what they have, she said. They take the land and resources they have and make them better.

Radke urged farmers and ranchers to take back the word sustainability, adding that those in agriculture need to take control of the conversation and talk about not only how they use those resources, but how they improve them.

Telling your story isn’t always a top priority for farming and ranching

professionals, but it’s important, Radke said. She urged young producers to use social

media to help start the conversation, but to also look for opportunities in everyday interactions.

She suggested sharing visual graphics on Facebook and Twitter to give a snapshot of straightforward information.

Radke pointed out the importance of being prepared to have conversations outside your comfort zone. Listen to what consumers have to say first, then inform them, she advised. Don’t get defensive or make consumers feel inferior.

Find common ground with your consumer, Radke said. Talk about family values, how you treat your animals, how you care for the environment, and that food safety, quality and nutrition are also important to you and your family.

Be clever and creative, she suggested. Entertain questions first, and inform second. Be relatable, make your story accessible and visible, and use information that is transferable and compelling.

“We’re gaining ground,” she said, but it’s important to continue to make an effort to avoid losing that footing.

To view the PowerPoint that accompanied Radke’s presentation and/or to listen to her presentation, visit the Newsroom at [www.bifconference.com](http://www.bifconference.com).



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