

Regional Collaboration in the development of livestock cost and return estimates

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Western Regional Background

- ★ W. Farm Management Extension Committee
- ★ WCC-55 (Range Economics)
- ★ W192 (Rural Communities and Public Lands in the West: Impacts and Alternatives)
- ★ Policy Analysis Center for W. Public Lands

Issues

- ✱ Livestock budgets are few and far between in the western region
- ✱ Lack of consistency in methods and presentation across the region
- ✱ Uses in policy impact assessment over the region are thus very limited

Background

- Western Farm Management Extension Committee has been cooperating on crop budgets, software, regional training, publications, etc. for years
- Fund for Rural America grant in 1998 allowed members of WCC-55 to start work on a livestock budget generator through Regional Research Project W192

Background

- Windows Prototype developed in 1998-99
- Budgets have been developed in 6 states
Idaho, Oregon, Nevada, Wyoming,
Colorado, New Mexico
Idaho, Oregon, Nevada and New Mexico
have published these in res/ext format

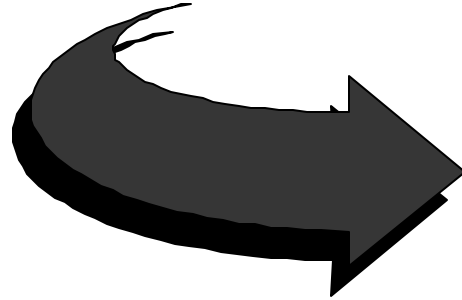
Idaho Procedure

- BLM Contract for Social/Econ Assess.
- Producer Panels
- Develop Draft Livestock Budgets
- Validation with Panels
- Use of Budgets

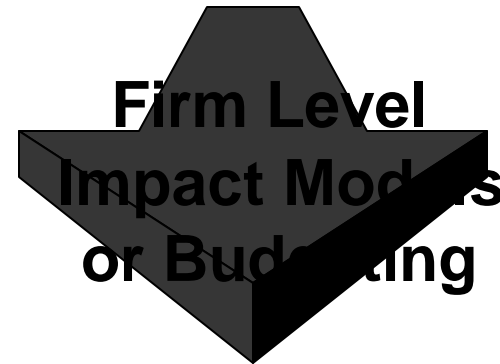
Analyzing Public Land Policy

Firm Level Analysis

Livestock Grazing Policy



- Ranch Production
- Grazing Costs
- Season of Use
- Forage Availability



Firm Level Impacts

- Ranch income
- Ranch Expenditures
- Employment

Use of Budgets

- ✱ BLM Project-Budgeting analysis of potential changes in resource management
- ✱ Regional Project
 - ✱ Development of Economic Models
 - ✱ Ranch and Regional Analysis
 - ✱ Social Assessments
- ✱ Policy Analysis Center for W. Public Lands
 - ✱ Sage Grouse
 - ✱ Permit Buyout (near future)

Idaho Ranch Budgets

- 300 Head Cow-Calf operation, graze public lands spring through fall, winter feeding
- 500 Head Cow-Calf operation, graze public lands spring through fall, winter feeding
- 500 Head Cow-Calf operation with winter grazing permits
- 500 Head Cow-Calf operation with winter grazing permits (Forest Service)

Dependency on Public Forage and Gross Margin, by Budget

Budget	Depend	Revenue	Operating Cost	Gross Margin
Jordan	48.4%	\$340	\$283	\$57
Marsing	39.8	355	293	62
Bruneau	59.8	338	266	72
Three Creek	58.0	311	203	108

Grazing Policy Changes

- Riparian Grazing Concerns
- Wilderness Study Areas
- End to “Hot Season” Grazing
- Leave 6 inch Stubble Height
- Result: Public Land Grazing ends after
July 15



← **Changes?**

Ranch Adjustments

- Short Run—Purchase Hay
27#/cow/day @ \$70/ton
- Intermediate Term—Private Lease Grazing
3 months @ \$10.76/AUM
- Long Run—Reduce Herd
???

Changes in Selected Operating Costs and Gross Margin From Adjustments in Forage Allocation (\$/Cow)

Scenario	Federal Forage	Hay	Private Pasture	Total Cost	GM
Existing	\$9.43	\$113	\$0.00	\$283	\$57
Hay Purchase	4.72	196	0.00	363	-23
Private Lease	4.72	113	38	316	24

Livestock Grazing and Sage Grouse

- ✱ Serious issue is spring grazing
- ✱ Nesting/brooding habitat is usually shared with livestock during put out
- ✱ Postponing/eliminating spring grazing is likely policy issue
- ✱ Consensus postponing put out and/or reducing rate likely to help sage grouse nesting/brooding success

Reduce Grazing for Grouse (GAMs Models)

Scenario 1

- Spring grazing is eliminated on BLM
- Total AUMs remain the same for year

	Ranch Impacts		
	Brood Cows	Income	\$/AUM
Oregon	5.3%	-9.6%	\$ (8.34)
Idaho	-20.6%	-18.7%	\$ (20.31)
Nevada	-5.3%	-39.8%	\$ (17.75)

Summary & Conclusions

- Collaboration on Budgets and other issues in the Western Region has a long history through both extension and research efforts.
- Consistent development of Livestock Budgets over a broad area allows us the opportunity for further collaboration on issues of importance to clientele groups and policy makers.

Summary & Conclusions

- ✱ The level of collaboration on this project would not have been possible without external funding (FRA Grant) and cooperation across state lines.
- ✱ Declining farm and ranch management resources (and warm bodies) in the west enhances the need for collaboration.
- ✱ The demand for crop and livestock enterprise budgets will increase in the future.