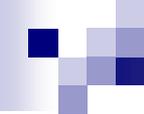


# Developing a Meaningful Ranch Plan

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Admire the past, but attack the  
future...



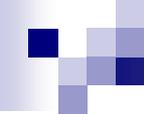
# Why have a ranch plan?

- Provide a picture of the past
  - Past levels of production
  - Past natural resource condition
  - Past financial performance
- Direction for the future
  - What is the operation “trying” to get accomplished?
  - Where is the operation going?
  - Is it getting there?



# Picture of the past

- SPA provides a good analysis for the production and financial, adequate for natural resources.
- Review of goals set for the previous year.
  - Were they met, do they remain, or should they be re-evaluated.



# 2004 Ranch Plan Outline

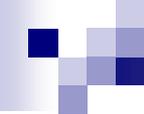
## I. Overall Observations

- I. Production: “Grass is tall, Cattle are fat, etc....”
- II. Financial: “Prices high, should be doing well”

## II. 2004 Production Situation

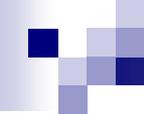
### I. Female Productivity

- I. Pregnancy Rate (probably from fall of 2003)
- II. Calving Percentage
- III. Weaning Percentage
- IV. Pounds per Female



# 2004 Ranch Plan Outline

- II. 2004 Production Situation (continued)
  - II. Stocking Rate Situation
    - I. Forage Situation
    - II. Feed Amounts
- III. 2004 Financial Situation
  - I. Net Income
    - I. Per Operation
    - II. Per Female
    - III. Per Acre
  - II. Total Costs per Breeding Female



# 2004 Ranch Plan Outline

## III. 2004 Financial Situation (continue)

### III. 1 to 5 Largest Expenses

- I. Is it accurate?
- II. Can I explain it?
- III. Is it manageable in the short term or long term?
  - I. Feed Costs versus Depreciation

### IV. Average Price Received versus Breakeven Price for weaned calves

# 2004 Ranch Plan Outline

## IV. 2004 Goal Analysis

### I. Production Goals

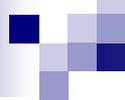
- I. Goal - Weaned Calf of 82 percent
  - I. Exceeded
  - II. Met – 83.3**
  - III. Remains/Not Met
- II. Goal – 425 pounds of Weaned calf per female
  - I. Exceeded
  - II. Met – 435**
  - III. Remains/Not Met

# 2004 Ranch Plan Outline

## IV. 2004 Goal Analysis (continued)

### II. Financial Goals

	2002 Expense	Goal for 2003	Actual 2003 Expense	Goal Exceeded, Met or Remains <sup>1</sup>
	<b>Cost per Breeding Cow</b>			
Hired Labor	\$112.46	\$106.00	\$134.36	Remains
Depreciation	\$105.84	\$85.00	\$107.86	Remains
Purchased Feed	\$52.09	\$55.00	\$41.31	Exceeded
Repairs & Maintenance	\$36.62	\$38.00	\$44.68	Remains
Utilities	\$23.40	\$25.00	\$20.91	Exceeded
Other Costs	\$70.72	\$75.00	\$143.28	Remains
<b>Total</b>	\$401.13	\$394.00	\$492.40	Remains
Minus Depreciation	-\$105.84	-\$85.00	-\$107.86	
<b>Total Cash Costs</b>	\$295.29	\$299.00	\$384.54	Remains



# 2004 Ranch Plan Outline

## V. 2005 Goals and Direction

### I. Production Goals

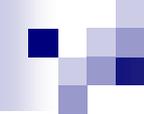
- I. Weaned Calf - 82.5 percent
- II. Average Weaning Weight of all Calves – 480 pounds
- III. Pounds Weaned per Breeding Female – 396 pounds
- IV. Average Price Received - \$120.00/cwt.

# 2004 Ranch Plan Outline

## V. 2005 Goals and Direction (continued)

### II. Financial Goals

	2004 Expense	2005 Goal
	<b>Cost per Cow</b>	
Hired Labor	\$134.36	\$123.00
Depreciation	\$107.86	\$85.00
Purchased Feed	\$43.31	\$55.00
Repairs & Maintenance	\$44.68	\$35.00
Professional Fees	\$27.40	\$25.00
Other Costs	\$134.79	\$90.00
<b>Total</b>	<b>\$492.40</b>	<b>\$413.00</b>
Minus Depreciation	\$107.86	\$85.00
<b>Total Cash Costs</b>	<b>\$384.54</b>	<b>\$328.00</b>

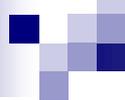


# 2004 Ranch Plan Outline

## V. 2005 Goals and Direction

### III. Other Changes and Issues

- I. Larger Investment in the Quality of Breeding Bulls.
- II. Improved water distribution of the ranch.
- III. Improved communication
- IV. Health Program



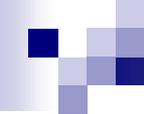
# Developing a Meaningful Ranch Plan

- Formal manuscript where entire team agrees to the past performance and future direction of the operation.
- Who develops (and writes) the document?
  - Owner
  - Manager
  - Independent Outside Person



# Developing a Meaningful Ranch Plan

- Puts everyone on the same page
- Improves communications
- Identifies areas of change and how they will be attacked
- Goal oriented



# Developing a Meaningful Ranch Plan

## Thanks/Questions

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