

Fear and Thistles

Now is the time to begin remaking cow-calf opportunity.



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Years ago, I had the chance to attend a meeting with veterinarians at Walt Disney World in Florida, where the group was treated to an enlightening behind-the-scenes tour of Disney's Animal Kingdom.

Among the things I learned: 1) "Huggers" are what they called the gargantuan squeeze chutes used for elephants; 2) even Walt Disney had a few wayward, too-tall thistles.

Thistles are a whole lot like the endemic mistakes so many of us work to avoid. However, I knew a hugely successful businessman, who also became a respected and successful seedstock producer, who took the opposite view.

I asked him how he had accomplished so much. He explained, "Unless I make three fairly significant mistakes during the day, I figure I haven't been trying hard enough."

How often does fear of making a mistake hinder the possibility of succeeding? Perhaps now, more than ever, is the time to embrace trying hard enough to make mistakes. That doesn't mean irrational diving over the edge, willy-nilly, for the sake of taking a chance. Instead, it's the notion embraced

by the businessman and seedstock producer mentioned above to continue asking questions, re-evaluating and trying again. Of course, this also implies starting with a specific goal.

The great facelift

Arguably, the U.S. cattle business stands on the cusp of a makeover, both generationally and genetically.

From a generational standpoint, the largest wealth transfer in U.S. history is just beginning. Estimates of the sum vary across a wide range, from about \$30 trillion — roughly the amount of the current U.S. national debt — to more than \$60 trillion. New people, even if they're next in the line of business succession, will be deciding what to do with the ground, whether it includes cattle and what kind.

Genetically, when it finally rains and snows broadly and deep enough, U.S. producers will likely build back at least 2.5 million of the beef cows liquidated, between 2019 and the beginning of this year, due to drought and economics. It's in line with early-release long-term projections from USDA's Economic Research Service which estimate the

Jan. 1 beef cow inventory at around 29 million this year and approximately 31.3 million in 2032.

Save more, make more

High feed costs, increasing drought frequency and narrowing profit margins suggest adding cows with heterosis will continue to offer the least risk and the most potential.

Benefits associated with maternal heterosis are many and significant, including increased calving rate and a 38% advantage in cow longevity. Think of the savings associated with just the latter.

Cow herd depreciation and/or replacement heifer development is the second largest cost to cow-calf operations, according to Aaron Berger, a University of Nebraska-Lincoln (UNL) Extension educator, who was describing unit cost of production and enterprise analysis at a UNL conference in the fall of 2014 (Rebuilding the Cow Herd). That was the last time folks were getting ready to expand cow numbers.

Here's wishing you a year without thistles, but one with your fair share of well-meaning, perfectly executed mistakes. **HW**