

Sustainability and Return on Investment

Practical ways to measure the results.

Stepping into Sustainability focuses on getting comfortable with sustainability and sharing our sustainability efforts with customers, but our operations must be profitable for true financial sustainability. So, in this column and the May/June column I will share some simple ways to calculate return on investment (ROI) for sustainability measures that you might not even realize are sustainability measures.

For small beef cattle producers, sustainability isn't about complicated reporting systems. Instead, sustainability shows up in practical, measurable ways, such as healthier land and cattle and stronger finances. One of the simplest ways to evaluate both environmental and financial performance is to track three numbers each year. When these improve, profitability and long-term resilience can improve with them.

Pounds of beef sold per acre

This is one way to measure your land productivity, and it reflects how efficiently your acres convert sunlight and forage into marketable beef. Divide total pounds of calves sold by total grazed acres. For example,

if you sell 100 calves that weigh an average of 550 pounds, that's 55,000 pounds. If those calves were raised on 200 acres, you produced 275 pounds per acre.

Are you surprised by the number you calculate? How does it compare to similarly managed operations in your area? This is often a perfect place to start gauging land use efficiency.

Feed cost per head

Feed is typically the largest expense in cow-calf operations, and we are always seeking ways to reduce feed cost input. To measure, most of us would use a simple equation of annual feed expense divided by the number of head. But the real challenge to reducing feed cost per head is doing so while maintaining health and gain.

One sustainable option could be extending the grazing season. For instance, cover crops provide an option for some producers. Consider programs available to assist with costs to plant cover crops, grazing timeline tools and incentive programs such as carbon credit options.

Fuel cost per acre

Fuel cost reflects more than diesel prices; it also includes machinery use and labor. To determine fuel cost per acre, use the simple math of dividing the total annual fuel cost by total acres managed. For example, if you spend \$12,000 on fuel across 400 acres, your fuel cost is \$30 per acre. Most experts will tell you that reducing the number of field passes or amount of trucking involved in the business overall can reduce fuel cost and land impact.

Reducing fuel consumption can seem almost impossible until you consider alternatives like increasing no-till use or altering grazing patterns. For most of us, how we pasture cattle revolves around habit and existing fence. If fuel cost is a concern, when was the last time you considered restructuring pastures or habits?

If it has been quite a while or a few generations since you've really looked at the 'lay of the land' and how you graze it, these three metrics may help you decide if it's time to consider a change. **HW**

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