



Market
Closeout

PHOTO BY SHAUNA HERMEL

The Riches of Ranching



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Pondering the dollars & sense of our business.

Commentary by Troy Marshall, American Angus Association

The last week to 10 days has been really tough on ranchers from a weather standpoint. A good part of the country experienced significant snowfall and bitterly cold temperatures. Some were calving cows, which raised the difficulty quotient by several factors.

Nobody in his right mind would say they enjoy these times in ranching. Operating on a few hours of sleep, breaking ice, thawing water lines, bedding, feeding, keeping everything as comfortable and protected as possible under the harshest of conditions — there is nothing glorious about piling snow.

From an outsider's perspective it is simply arduous work under extreme conditions. What they don't understand is the nobility that comes from purpose.

A sacred trust

I'm not sure you humanly could put in that kind of extended effort if you didn't understand that, as a rancher, you are part of a sacred trust to take care of and protect those entrusted to your care. It is the understanding of this higher purpose, the idea that everything you have is offered in the service of your animals and your family, that causes all the sacrifices to pale in the end in comparison to the rewards.

Don't get me wrong, a higher purpose doesn't say anything about the quality of people that ranchers are. Ranching doesn't attract a better class of people; it creates them. Like motherhood, and a mom's ability to sacrifice and rise to the occasion. Like men who have served their country. It isn't that the people were born heroes or had any

special traits; it was the purity of their purpose that made them heroes.

I firmly believe the reason we still make deals involving hundreds of thousands of dollars on nothing more than a handshake is because there is an understanding of what type of person you have to be to survive in ranching, and understanding that type of individual must have character.

If you have never saddled a horse on an early spring morning, with the grass turning green and the calves starting to venture off from the moms, you can't understand. If you haven't had the pleasure of working side by side with your children every day, you can't understand. If you haven't seen the difference in your kids compared to those without the opportunity to be raised in this

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way — more grit, a better work ethic, a deeper understanding of risk and reward, of delayed gratification, and of sacrifice — you can't understand. There is no amount of money that I would take to change the way we raised our kids. It is a special lifestyle.

I say this because I tend to talk about the value of genetics and about profits and the economics of our business. While important, what really makes ranching unique is that for most of us, its primary purpose is not to make money. Our goals are to raise our family, to be able to pass the ranch on to the next generation, and to continue to work with the land and the animals.

Means to an end

Of course, profits are important. After all, they are foundational to providing for your family, and keeping the ranch operational. Bankers seem to have a decided preference for ranches that are profitable.

Seedstock producers are being honest when they say they are working every day to

create genetics that will make their customers more profitable. We are being honest when we say that AngusLinkSM has the primary goal of putting more dollars into the hands of commercial cattlemen who utilize Angus genetics. Commercial cattlemen are truthful when they say their objective is to make more money.

However, I have come to realize that profits are a tool; they allow us to achieve our actual goals. I'm getting older. Thirty years ago, I was running around the country giving talks and telling everyone we needed to focus on agribusiness over agriculture. I heralded that this wasn't a lifestyle, but a business, and that we needed to concentrate on the bottom line.

Changed outlook

Like most people, I have my share of regrets. But again like most people, I

probably wouldn't go back in time to change many things, because they helped shape the person that I am and the world that we live in today. Yet, if given the chance to go back, I would alter the way those talks and articles were presented. It is a subtle change, but I think an important one.

Ranching is the greatest lifestyle on earth, but it is an average business at best. To provide this lifestyle to your children, to be able to pass it on to the next

generation, you are going to have to do a tremendous job of managing the financials. The rewards are great; the financial margins, narrow.

The richest men and women I know are ranchers, and some of them are making good money, too. To me, that is the true dollars and sense of our business. *ABB*

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Editor's note: Troy Marshall is director of commercial industry relations for the American Angus Association.