

Should Clients Cull The Same On The...

Upward Part Of The Cycle?
As On The Downward Part Of The Cycle?

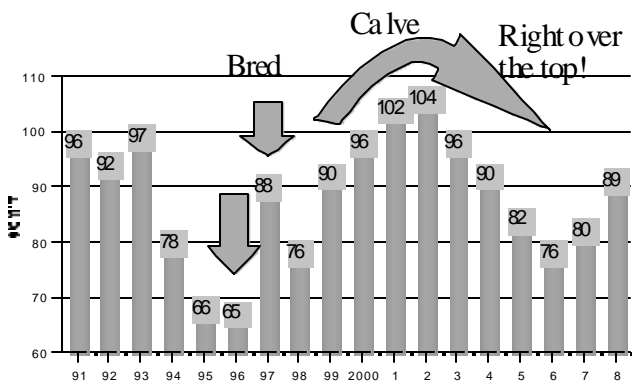
I don't Think So!

85

So... Let's Look At Replacement Strategies

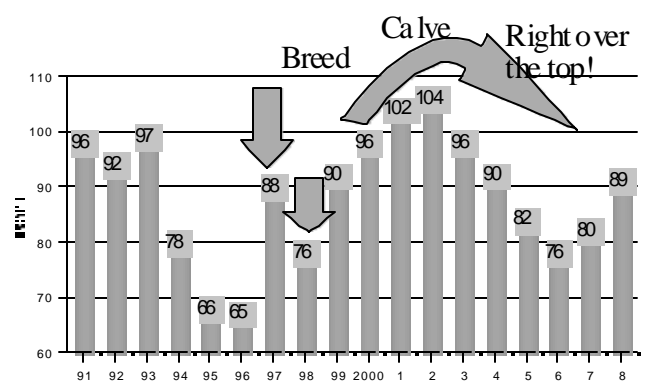
86

Know Any One That Has His 1996 Heifers?



87

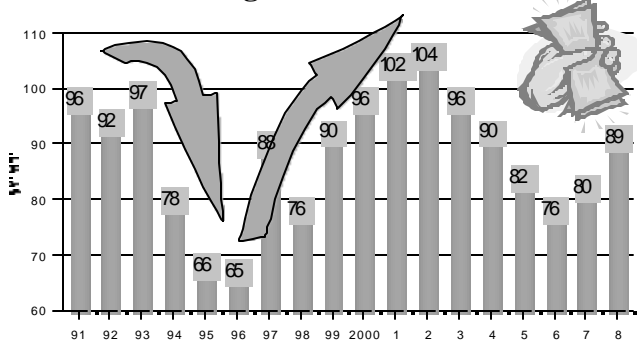
Know Any One That Has His 1997 Heifers?



88

2a. How About Culling Deep On Downward Side...?

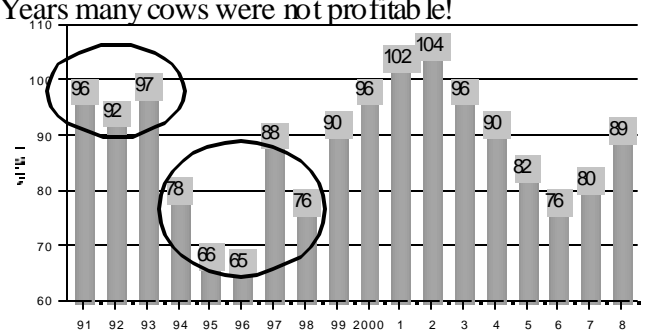
Selling All Calves Produced On The Upward Side,
And Building A Financial Reserve!!



89

Culling Cows On Downward Years?

Years all cows were profitable!
Years many cows were not profitable!



90

Culling On The Downward Side

- P** On the years that some cows loose money
- < Why run cows that loose money?
 - < Cull and cull deep
 - Change genetics of the herd
 - Build a young, productive herd

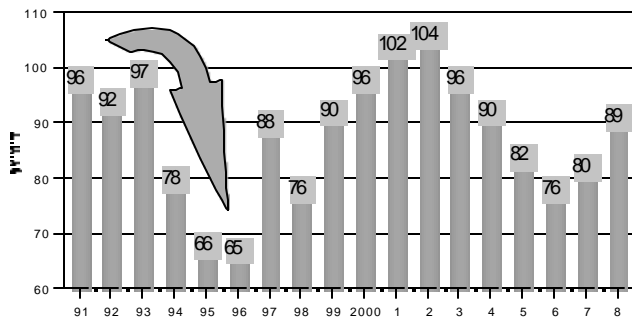
91

But Harlan... I have The Grass!

Tell me... how does running cows that consume the grass... at a loss... make economic sense???

92

On Downward Side Use Extra Grass Running Yearlings On Grass!



93

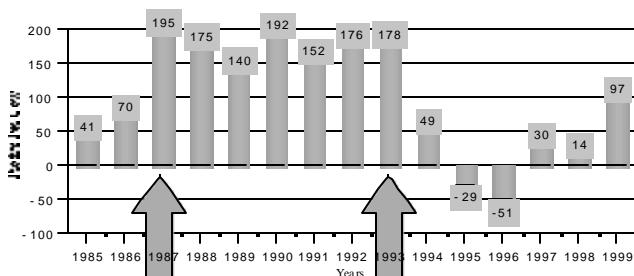
Strategy No 3.

Buy Low And Sell High

94

Minnesota Rancher

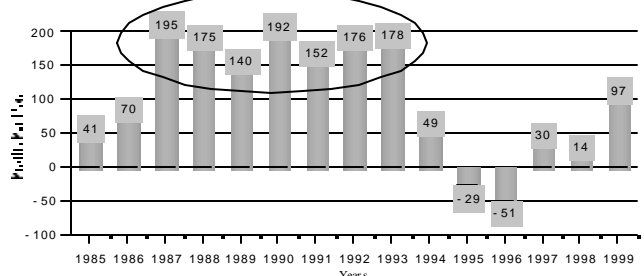
(North Dakota Farm Business Management Herds Average Profit)



95

What Did This Rancher Do?

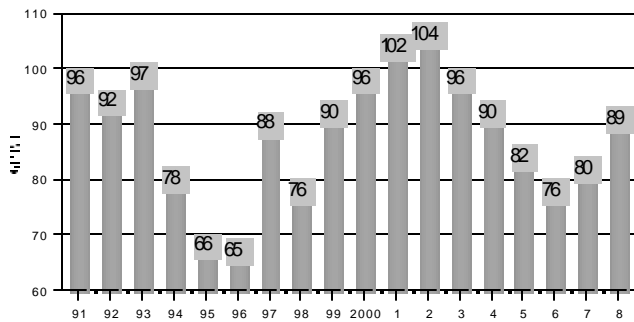
Sold Every Calf Born At High Prices!



96

North Dakota Price Projections 500-600 Lb Steer Calves

Dickinson, North Dakota October Average



97

Strategy No 4.

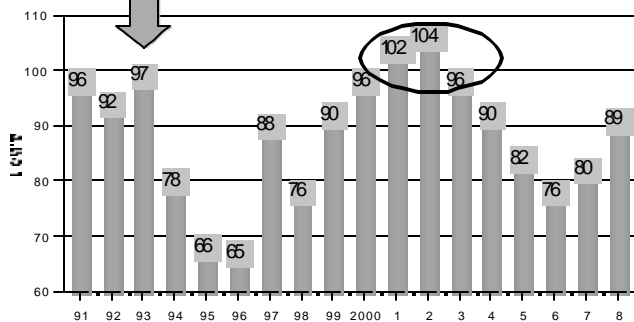
Sell Bred Females At Cycle Peak

98

Montana Rancher

Sold Herd

Sell Next Herd



99

Skip To Summary

Z= Go To Summary

100

Branch Options

A = Introduction To Cattle Cycles

B = Feeder Cattle Cycles

S = Part II Producer Strategies

Z = Summary

W = Harlan's Web Page

E = End of Slide Set

0 = This Branch Option Page

T = Start Slide Set

101

I get asked a lot about cattle cycles in the feeder cattle markets

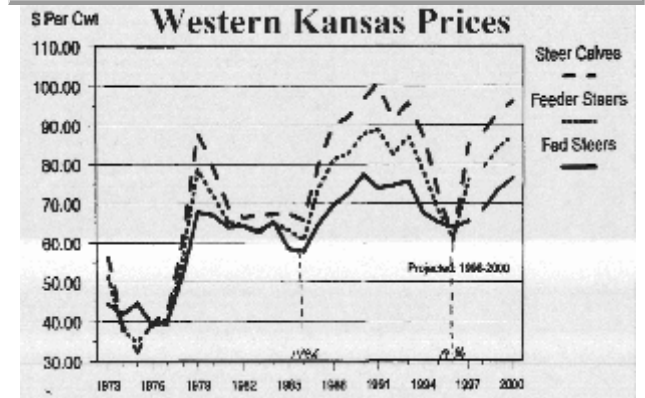
102

Cattle Feeding Is A Margin Game

- Success is determined by:
- < Buy/Sell Margins
 - < Costs Of gain

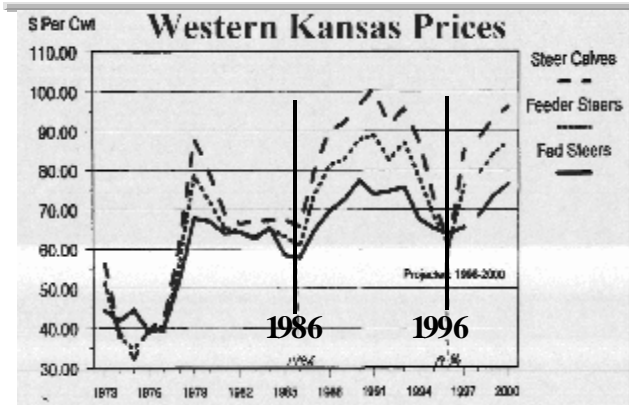
103

The Beef Price Cycle



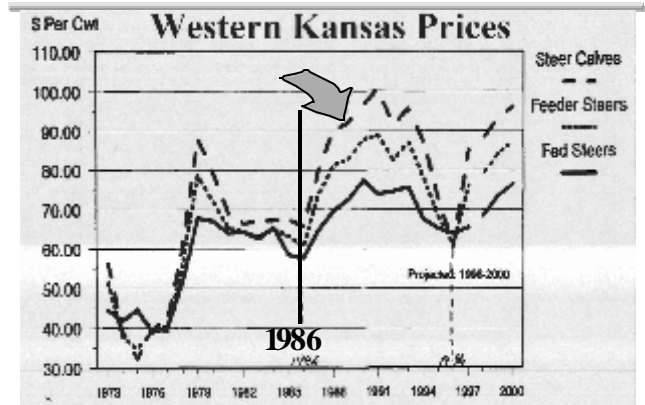
104

The Beef Price Cycle



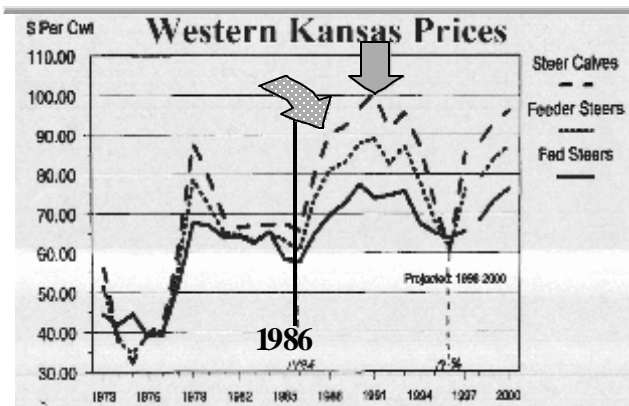
105

The Beef Price Cycle



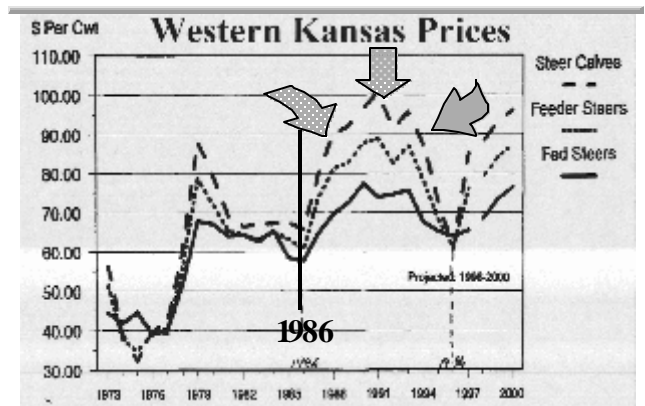
106

The Beef Price Cycle



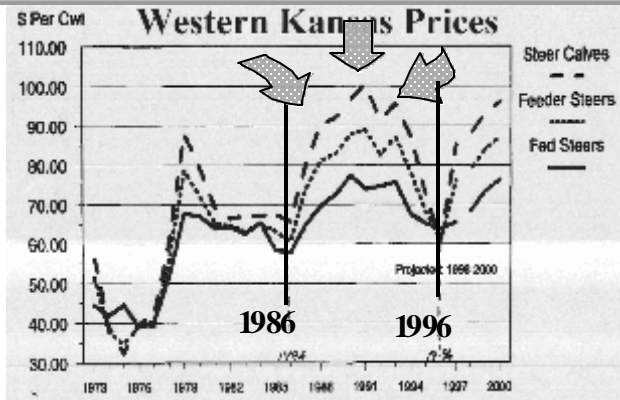
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The Beef Price Cycle



108

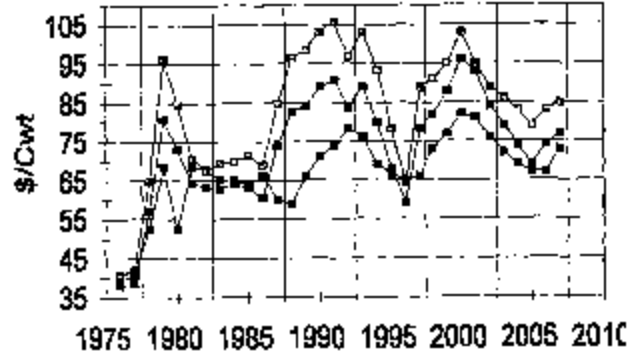
The Beef Price Cycle



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Planning Prices

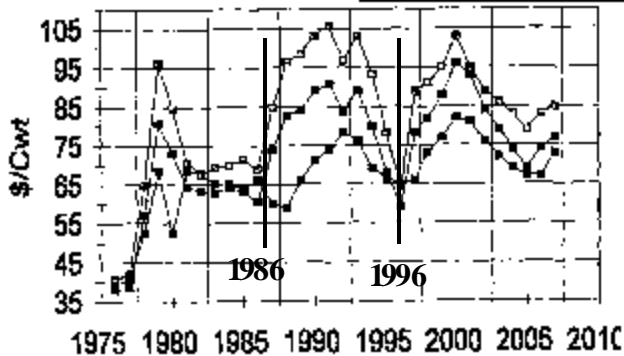
CattleFax Data Actual & FAPRI Projections



110

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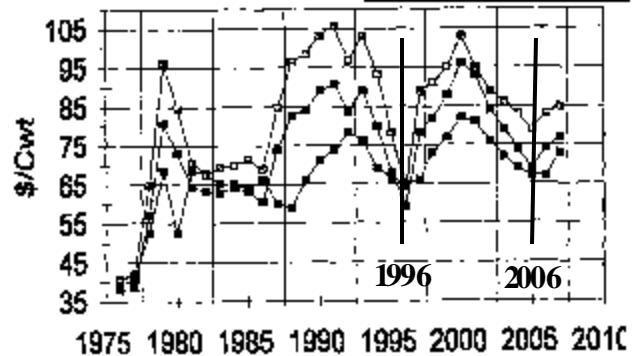
CattleFax Data Actual & FAPRI Projections



111

Planning Prices

CattleFax Data Actual & FAPRI Projections



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Summary

- P Cattle Cycles Go In 10-Year Cycles
- P Cattle cycles cause beef price cycles
- P Toughest years end in 5 & 6
- P Ranchers can implement strategies to make the cattle cycle work for them
- P Veterinarians can encourage profitable Cattle Cycle strategies



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So....

Let's Make The Cattle Cycle Work For US!

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Harlan's Web Page

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www.ag.ndsu.nodak.edu/cow
Harlan's Web Page

The Market Advisor
for Prairie Beef Producers
by Harlan Hughes

Sixty Percent of the Business Accounts Needed to Manage Are Found on Balance Sheet

The New Market Advisor will appear on January 7, 1998

A balance sheet or net worth statement contains 60 percent of the accounts needed in an effective farm or ranch business accounting system. It is the single most important financial statement of a farm or ranch business. Using a balance sheet with a farm earnings statement and a cash flow statement can help a farm or ranch.

117

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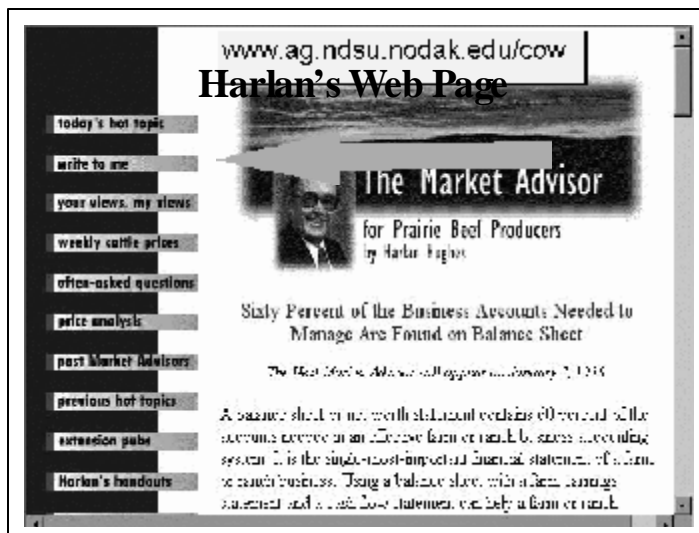
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121



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What Would Change These Projections?

- P** Poor Corn Crop In The Corn Belt
- P** Beef Demand Change Is Permanent
- P** Economy Turns Downward & Unemployment Turns Sharply Upward
- P** Canadian Dollar Strengthens

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