

No easy answer to complexities of ag living

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Managing a farm or ranch in today's world is not easy. Changing federal and state regulations pull the manager first one way, then another.

Additionally, the development of world markets is changing the structure of local markets. New production technologies and improved information sharing methods combine to make most agriculturists unsure of how to get a handle on it all.

To top it off, many agricultural managers have not had formal training in management. They have, however, received numerous degrees from the school of hard knocks.

An old way of approaching the forces and factors of managing a farm or ranch is being revived by many farm and ranch managers across this country.

In the past, an operator could afford to be intimately familiar with all the resources of his/her operation. Today operations are larger and regulations more numerous, making the job appear overwhelming. It's difficult to determine a method of approaching it.

Integrated management is managing the farm or ranch operation as a whole, rather than as separate, unrelated enterprises. Some refer to this type of system as 'holistic.' No matter what the name, it provides a step-by-step method of working through the 'information overload' ag managers are bombarded with daily.

Strategic Level Managing

Goals

Integrated management begins with the operator's goals, both business and personal. It may also include the goals of management staff and personnel. Every operation and its employees have goals.

Without goals, the farm or ranch is managed randomly. Yet few ag operators (let alone their employees) have ever sat down and written out their goals. Goals can describe what the operation should be in 10-20 years, where management wants to be personally in 5 years, or the kind of education they'd like to provide for their children. These sorts of goal statements are required if the persons involved, or the business as a whole is to ever reach the desired

Resource Inventory

The next step of integrated management is to inventory the resources available.

Resource categories vary from one integrated management system to the next. One system uses the following five resource categories: basic resources, human resources, financial resources, livestock resources, wildlife resources.

Basic resources refer to both the natural and the agronomic resources of a farm or ranch. Natural resources include soil type, ground water, precipitation potential, native plant populations, topographical 'relief', and other 'site' characteristics of the operation. Agronomic resources include the 'human-contributed' characteristics, such as crops grown, irrigation water available, field locations, etc.

Human resources describe not only the number of people working for the operation, but also their skill levels, responsibilities, and hours available for work.

Financial resources, probably the most listed resource, includes cash in the bank, the value of all assets owned by the operation, and any liens against the asset base.

The **livestock resource** includes any domesticated livestock; cattle, calves, sheep, horses, exotics, or others.

Finally, **wildlife resources** include wild animals present on lands owned by the operation, both game and non-game species.

This listing of resources is critical to the overall process and should not be taken for granted. The resource base of an operation includes everything available for use in generating income. Any income left after meeting operation expenses is applied toward the goals. A complete resource list can provide insights into new methods or activities that could generate additional income.

Once goal statements and an inventory of resources have been drafted, the strategic level of the integrated management process is complete. This work sets the direction for everything that comes after.

Tactical

The tactical level explores how to get from where you are to where you want to be.

This includes all activities or enterprises that can turn farm/ranch resources into income. Such tactical planning is done within the resource limitations of the operation, including the human resource limitations of time and skill levels.

Operational

Within the operational level of the process, new or revised plans are put to work on the ground. This part of the process accomplishes the goals set at the strategic level.

While plans are being implemented, resource use must be monitored and

adjusted as necessary. Replanting occurs throughout the year as resource use is monitored; it should also occur at year end. In this way the process provides information on how resources performed over the year, including contributions toward goals.

This is the integrated management process. It is a method for taking all the information agricultural managers receive on a daily basis, processing that data, and developing plans for their operation that will move them from where they are to where they want to be.

Western Integrated Ranch/Farm Education

One integrated management program being offered in the West is titled WIRE (Western Integrated Ranch/Farm Education). It was developed by a team of Wyoming extension agents and specialists.

The course focuses on giving participants a means of getting a handle on the

management of their farm, ranch, or related business. It covers each step of the process outlined above and helps managers get started applying the process in their own situation. For information about this program, contact your local Cooperative Extension office.

Ag managers must process an ever increasing amount of information to be competitive in today's operating environment. In addition, the level of competition inside and outside our borders is increasing. To make sense of this and to manage in a way that allows success, a method of approaching the problem is needed.

Integrated management clarifies for farm and ranch managers a way of looking at the resources available, analyzing alternative enterprise activities, and implementing plans to accomplish those activities in a resource-sustainable manner. Success in this management system is measured by progress toward goals, both business and personal.

It's been said that money alone can't buy happiness. When extra dollars of revenue help the manager reach strategic goals, progress alone can be very satisfying.

