



2012 Beef Industry Challenges & Opportunities

The New York Farm Viability Institute, Inc. is a farmer-led non-profit organization dedicated to strengthening agriculture in New York State by helping individual agricultural producers succeed. While each farming enterprise faces its own challenges, some issues are common to many producers in a given production sector or industry segment. NYFVI seeks to identify priority issues of industry-wide scope and concern that can be addressed either with resources at the Institute's disposal, or through the efforts of collaborating organizations.

During winter and spring 2012, NYFVI organized an effort to identify barriers to success and profitability for the beef industry in New York State. Several beef producer focus groups identified intermediate-term industry threats and opportunities, along with potential production and business management research and education that could make a difference to enterprise success.

Focus group participants along with other producers and industry leaders subsequently rated these challenges, opportunities, and research and education needs as "low", "medium" or "high" priority. This yielded a composite score for all the issues on a scale of 100 (lowest possible score) to 300 (highest possible score). A score of 300 indicates that every person who rated the item gave it a "high" priority rating. The lowest possible score is 100, meaning that every individual gave that item a "low" relative priority rating. The first number in each row of the following list is the composite ranking score across 49 participants who rated the items.

Challenges

Medium to long term threats and challenges for the beef cattle industry in New York State.

Ranking
Score

- 245 Increasing input prices
- 241 Capital requirements for farm operations
- 241 Federal, state & local taxes
- 233 Lack of public knowledge about agriculture and where food comes from
- 229 High feed cost
- 224 Lack of USDA inspected small scale meat processing capacity
- 224 Equipment - sizing, accessing, affording, repairing, maintaining
- 217 The need to work off the farm in order to afford to farm
- 214 Local governments don't see beef farming as a viable agricultural alternative and don't fund local programs to support it

- 206 Identifying and creating markets for your products
- 206 Regulations on direct marketing of beef
- 200 Government regulations and the inability to get answers or guidance on questions, issues or conflicts
- 198 Public perception of beef farm practices, especially regarding animal welfare
- 198 Lack of local, competitive wholesale markets
- 194 The initial 'getting in' to farming is overwhelming
- 192 State Dept. of Environmental Conservation regulations
- 190 Access to capital for financing
- 185 State Dept. of Ag & Markets regulations
- 184 Controlling production assets, especially land, when you cannot own the asset
- 182 Perception that New York is all urban and does not have 'serious' agriculture
- 176 Upcoming changes to child labor laws
- 176 Water regulations
- 176 State Dept. of Transportation regulations
- 176 Resistance within the industry to cooperative efforts for marketing products or buying inputs
- 173 Long term commitment to the business
- 171 Lack of support from Cornell for beef production
- 169 Labor laws and regulations
- 169 General lack of land availability
- 167 Large scale packers in the area can't get the volume they need for their plants
- 167 Neighbor relations and the right to farm
- 160 Lack of producer willingness to precondition calves
- 153 Shortage of calves for backgrounding
- 147 CAFO Permits
- 145 General lack of knowledge about farming practices and how to farm

Opportunities

Medium to long term strengths and opportunities for the beef cattle industry in New York State.

Ranking Score

- 248 Research results showing the benefits of meat in the diet
- 247 Expanding markets for local food and interest in buying locally
- 239 Good infrastructure - feed mills & stores, sale barns, truckers, slaughter plants
- 233 The internet as a tool for acquiring information, getting questions answered, marketing products and educating customers and the public
- 229 Good quality land for beef production that may not be good enough for crops or dairy
- 229 A good forage production climate
- 227 Great opportunities if beef producers can begin to work together

- 221 Water - quantity, access, quality
- 216 Good access to experts - Cornell, Cooperative Extensions, veterinarians, company reps, consultants, FSA, Soil & Water Conservation Districts
- 215 Trained young people coming out of both two and four year agriculture programs for internships and employment
- 204 Reasonable feeder calf prices
- 196 Proximity to a large consumer population
- 185 People getting out of agriculture resulting in opportunities for people to get into agriculture
- 180 Relatively easy to find people who want to work on beef farms (frequently neighbor farmers who went out of business)
- 135 Coming improvements to dairy beef via cross breeding programs
- 118 Dairy bulls as a beef industry marketing opportunity

Production Management

Production management applied research needs, education needs, or changes that would best help the industry and individual farmers become more profitable, sustainable and competitive.

Ranking Score

- 270 How to raise animals with high quality carcasses for slaughter
- 250 Understanding beef cattle nutrition
- 243 Animal handling systems, facilities and practices
- 240 Ability to feed and manage animals so they can express their true genetic potential
- 238 Improved watering systems
- 236 Genetic improvement in beef herds
- 233 Setting up, understanding, and effectively managing intensive grazing systems
- 230 Beef cattle facility design
- 229 Improved fencing systems
- 226 Creating a year round, consistent supply of cattle for slaughter
- 220 Informal farmer to farmer education venues - e.g. discussion groups
- 217 Land, mud and erosion management practices to eliminate stream degradation
- 215 Understanding the importance and value of regular forage testing and how to produce high quality forages
- 213 Training in understanding, implementing and utilizing new technologies in genetics, reproduction, nutrition, animal health, machinery and equipment
- 198 The need to develop a mentoring program in the industry
- 187 Being able to identify and avoid "Bargain Animals" that will actually cost more in the long run
- 187 Better feed handling and storage systems and improved methods for managing them
- 187 Solving problems of the producer cooperation issue
- 185 Improved manure management systems

Business Management

Business management research needs, education needs, or changes that would best help the industry and individual farmers become more profitable, sustainable and competitive.

Ranking Score	
235	Getting information out about grants and other available business resources - FSA, Soil & Water Conservation Districts, NRCS, Rural Development, FarmNet, Small Business Development Centers, etc.
233	Product marketing
233	Using records, data and information to make business and management decisions
228	Focus on maximizing profits and not necessarily production
224	Collecting and organizing records and data
222	Cooperative organization efforts so beef farmers can reach and realize benefits from economies of scale
222	Understanding that a farmer's time should never be considered a free input to the business
220	Viable marketing options for smaller producers, such as coordinated marketing to put together larger lots of cattle
215	Development of beef farm business and marketing plans
213	Implementation of NYSCHAP and BQA programs on farms
209	Health insurance
209	Making culling decisions
209	Business analysis using budgeting, partial budgets, break even analysis, modeling
207	An internet interface to connect beef producers for the sale of genetic stock, equipment, forages, bedding, etc.
207	Determining and understanding the true costs of ownership vs. leasing/renting vs. custom hire for equipment, buildings, land, animals
202	How to find opportunities to lease rather than buy land and equipment and how to determine fair pricing
200	Risk management tools for beef production - crop insurance, livestock insurance, price risk management, livestock gross margin insurance
200	Farm business management education for agriculture service providers, especially bankers
200	Development of a Beef Farm Business Summary similar to that available for dairy
193	More efficiently utilizing resources the farm has, e.g. offering custom services, pasturing cattle for other owners
189	Tax management training
189	Time management
185	Understanding and managing farm insurance policies and contracts
184	Laws, regulations, requirements and reporting surrounding hiring and managing labor
178	Estate and succession planning
176	How to find a good accountant, consultant, vet, etc.