

# Ag Women and Risk

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## WHAT'S IN STORE

- Using Horsepower to Cut Costs . . . 1
- Lucy's Recs for Hiring and Keeping Good Labor . . . . . 2
- Leaving a Lasting Legacy . . . . . 3
- CSU's Institute for Livestock and the Environment . . . . . 4

## Keeping it Going During a Rough Economy

Regardless of your agricultural specialization, your thoughts are probably occupied with concerns about the economy. Volatile energy and commodity prices during the past year have made it difficult to predict fuel costs and market prices for crops and livestock. Many business owners are being pushed to narrow their profit margins in a business that is already fraught with uncertainty.

It is well-established that the best way to achieve a profitable business is to reduce operating costs. This may be even more important during times like these when revenue streams are uncertain.

We have kept these principles of financial risk management in mind with this edition of "Ag Women and Risk". This newsletter features Lucy Meyring of the fifth-generation Meyring Livestock Company in North Park, Colorado. Like many established ranchers, Lucy and her husband Danny have seen ag producers succeed both in good times and in bad. Lucy shares some insight into how the Meyring Livestock Company trims costs (and gains a competitive advantage) by keeping

with the "Old Cowboy Way". The Meyrings have committed to running their 10,000 acre ranch by horse power, which means a horse drawn sled for winter feedings and a cold mid-night ride during calving season. Lucy is the Past-President of the Colorado Cattlemen's Association and she has served on the Board of Directors of the Colorado Cattlewomen's Association. She has been an advocate of women in agriculture for decades. In addition to her insights into risk management, she offers some uplifting words to bring out "the little bit of cowgirl in all of us."

We round out the newsletter with some additional resources available from Colorado State University. One resource is the "Lasting Legacy" estate planning program offered by CSU Extension Specialist Rodney Sharp. Another article focuses the CSU Institute for Livestock and the Environment, a consortium of 40 university scientists whose mission is to solve problems at the interface of livestock and the environment.

Thank you for suggestions and comments for future editions of "Ag Women and Risk". You are always welcome to email me at: Catherine.Keske@colostate.edu

Have an enjoyable spring!



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## Using Horsepower to Cut Costs (And I Don't Mean a Bigger Tractor):

*Lucy Meyring and the Meyring Livestock Company*



"Get your house in order during the good times, and hopefully it will sustain you through the bad times." For ranchers Lucy and Danny Meyring these are words to live by.

As fifth-generation ranchers, the advice of Danny's father, Twist Meyring, has clearly paid off. After Danny's family homesteaded the Meyring Ranch in 1885, agricultural trends have come and gone, but one thing hasn't changed on this 10,000 acre, 2,000-head ranch: The Meyrings continue to feed cattle and operate the ranch by horsepower, much like Danny did when he was a boy.

Their commitment to the "Old Cowboy Way" is a combination of nostalgia and



Danny uses a "hyra-fork" and a "four-up" team to gather loose hay for the morning feeding.

cost-containment. As numerous finance and agricultural research studies have shown, the most effective way to achieve a profit is to cut costs. Cutting costs may be even more important during times when commodity prices and the general economic climate are uncertain, because farm income becomes difficult to predict. This article features Lucy and Danny Meyring's insights to cost containment and financial risk. Lucy also shares advice into how to hire and retain good labor, which has become a necessity for their horse powered, labor-intensive operation. She also provides some insights into managing the unique risks faced by agricultural women.

### Avoiding Debt "The Old Cowboy Way"

Given the size of the property and their herd, as well as handy craftsmanship and dedicated labor resources, the Meyrings maintain a desirable level of efficiency using traditional ranching methods. Rather than taking on

extra debt associated with expensive pick-ups or hay balers, the Meyrings put up loose hay and feed cattle in the winter months using teams of horses. During the snowy winter months, this involves two "four up" teams and a single team pulling sleds if the snowpack is adequate; otherwise, wagons are used. 10,000 acres allows for sustainable seasonal grazing, and horses are a reliable source during the harsh winter months when the same can't always be said of diesel powered engines.

Like many agricultural producers, the Meyring family's debt avoidance has been a key component to maintaining operational profitability. According to USDA statistics, debt-to-asset ratios have generally been better for U.S. farmers and ranchers compared to the 1980's, although borrowing against the land is a common mistake that producers (and home owners in general) have made in recent years. When land prices fall, loan balances may exceed the value of a property, leading to complex financial problems.

To the Meyrings, interest payments equal profit erosion. They believe that many producers are lulled into large capital equipment purchases by the common misconception that they are saving on taxes. They also believe that "keeping up with the Joneses" puts producers at the mercy of the capital equipment upkeep cycle. The Meyrings urge other producers to put temptation aside and to focus on the revenue generating, cost cutting tasks that get the job done. "I'd rather pay taxes than interest," says Lucy.

Self-reliance has also helped the Meyrings to operate cost effectively. Lucy and Danny know their horses like a carpenter knows tools. Lucy first came to the ranch as an employee—she was hired by her future in-laws as a horse trainer. Danny is able to service the rest of his equipment on the ranch. The hay is grown on the property. Although events like the 2002 drought forced the Meyrings to make operational decisions such as selling off more animals, their self-sufficiency and haymaking carried them through that difficult season.

Although prudent spending habits are the backbone of their operation, the Meyrings caution that there are some investments that are worth making. "A good bull is the foundation for a good cow herd," says Danny. "Keep the cattle well-bred and well-fed and they'll take care of you." Likewise, he adds, the old adage about good fencing rings as true today as it did 100 years ago.

### Trading Labor for Capital

Clearly, the Meyring operation is more labor intensive than most operations. However, extra labor hasn't been too hard to find, as the "Old Cowboy Way" has been a calling card to

## Recommendations For Hiring And Retaining Good Help

By Lucy Meyring

- 1) During the initial interview, give the candidates a complete overview of what goes on with the operation during a year's time. Job responsibilities can change with the seasons.
- 2) Take candidates on a walking tour so there are no surprises. Tell them up front what to expect on the job.
- 3) Start new employees out on the right foot by making them feel a part of the "team". Share what is going on with the operation and give insight into the day-to-day activities, and operational decisions. For example, let them know how much feed costs and what cattle prices are bringing.
- 4) Address employee needs both physically and emotionally. Salary isn't everything--people want to work on a ranch for the lifestyle, which includes more family time, and a fair treatment from the owner.
- 5) Be a friend. When appropriate, invite employees to share in your own family gatherings or holiday parties.
- 6) Allow employees a "buy in". We gift cows as yearly bonuses and allow the employee to run a small personal cow herd. This gives the feeling of "our ranch"—not just the boss's ranch.
- 7) Set the pace and example. Don't expect employees to do something you wouldn't do yourself. Example: Cleaning out a septic tank!
- 8) Be honest and sincere (Your word is gold—employees should be able to "bank" on it).
- 9) Encourage employees to keep their language clean. It makes a more positive work environment.
- 10) Treat employees like you'd like to be treated yourself. THE GOLDEN RULE always works!

### Ideas For Finding Labor

- 1) Advertise in Trade newspapers such as the FENCE POST, AG JOURNAL, WESTERN LIVESTOCK JOURNAL, WESTERN LIVESTOCK REPORTER, etc.
- 2) Word of mouth among neighbors and friends ranching in other areas.
- 3) Professional Agricultural Agencies such as Hansen Agri-Placement.



**Horse powered operations require clear dedication during the frigid winter months.**

some people. Retirees and visitors frequent the operation during summer months. Long term laborers have had an appreciation for learning the traditional ranching methods. The Meyring's nephew, Spike, has also infused "young blood" into the operation. Because the operation depends a great deal on labor, Lucy offers some seasoned suggestions for hiring and retaining employees (see inset box).

The labor-capital trade-off may seem like the ultimate dream for people who love their land and the ranching lifestyle. However, make no mistake about it, feeding cattle on a frigid January morning on the Wyoming-Colorado border at 5:30 AM requires commitment. During calving season, the Meyrings ride out on horseback to tend to the birthing process. Lucy calves out the younger heifers closer to the house, while Danny tends to the older cows that are kept further up the pasture. During frigid weather, the Meyrings practically live with the cattle during the calving season. "It can be miserable," Lucy confesses.

Putting this in context, the morning that I fed cattle with the Meyrings, it was so cold that the battery in my camera didn't work. I had to wait almost 1.5 hours before it was warm enough so that I could snap a photo of hay being unloaded from the wagon. Although there is romanticism in the "Old Cowboy Way", the commitment to being a low cost producer is often anything but romantic. As Lucy notes in her first recommendation on hiring and retaining good labor, be sure that employees know up front what is required of their job during all seasons of the year.

### Women in Agriculture: There's a Little Bit of Cowgirl in All of Us

Lucy attended the Steamboat Springs Ag Women and Risk Conference. After the conference, it was clear to her that many women are seeking the dream of a full-time job in agriculture and an agricultural lifestyle...and they have a determination to achieve it.

Lucy's observation reflects the latest findings from the 2007 Ag Census, published in February 2009. The number of women-owned/principle operator farms has grown since 2002. This is true for farms of every size, from 1 acre to 500+ acre ranches. The number of women as principle owners, co-

owners, and tenants has also increased, as has the number of women in cattle ranching. Interestingly, the number of women who consider agriculture their primary occupation has decreased. This indicates that a number of women may seek off-farm income, although it also shows that many women are joining agriculture and are transitioning into an agricultural lifestyle from other lines of work.

"I know that I'm lucky," Lucy says thoughtfully. "I came from a great ranching family. I married into a great ranching family. People want the life that I have...and they can break into agriculture, too! I think there's a little bit of cowgirl in all of us."

Lucy believes that the "cowgirl spirit" sustains agriculture through trying times and that it offers promise for the future. "A cowgirl has spunk and determination. She has a love of the land. Cowgirls can come from a family of ranching like me. Cowgirls can also start a new business. But you have to think of yourself as a business owner."

For example, during business transactions, Lucy cautions women not to sell themselves short. When filling out paperwork, women often list themselves as a "home maker". Although women frequently manage the domestic agenda, Lucy points out that they are also involved in running a business, and should think of themselves as co-operators. "I am a 'rancher' first," says Lucy. "I manage a household, but I am also up in the middle of the night during calving season. Danny and I are business partners and we are in this together."

She also believes that a key component of every business, whether it is a new business venture or an established production facility, is to have a focused mission to leverage your operation to give you a competitive advantage. "You should do something to make your ranch special. Be unique no matter where you live."

As the former President of Colorado Cattlemen's Association, Lucy has seen agriculture producers show resiliency over the years during difficult times. The key to prosperity, she says, is learning from past mistakes and not repeating the cycle. She believes that traditional agricultural values like hard work and love of profession will sustain agricultural producers through unpredictable times.

"Some ranchers like to do their ranching from the coffee shop in town, but personally I like to do mine from the land.' This is what my father-in-law Twist Meyring used to say. And we hope to be doing it for years to come."

## A Lasting Legacy

*Rod Sharp, Extension Specialist*

Are "estate planning" and "inheritance" scary, dry terms? Do they imply that the sum total of one's life can be coldly calculated in dollars and cents and legal hair-splitting overseen by people getting in line waiting for you to die?

"A Lasting Legacy" courses present an alternate approach to end of life planning that suggests a road map for the future embracing the meaning of your life. In historical terms, a legacy is something that is handed down from one period of time to another period of time. An individual's legacy is a summation of a lifetime of achievement and the context in which that lifetime will be remembered. A legacy is not just money but your reputation, what you have done, the impacts you have made in the world, and the people you have touched.

Leaving a legacy that everyone can love depends on elders and adult children being able to bridge the communication gap. Communication between generations is more vital than ever to ensure that the needs of elders and heirs are aligned. Talking about legacy can be an emotionally satisfying experience for both parents and children. Comprehensive communication gives elders and their heirs an opportunity to share their most important beliefs, wishes and directives, and lessons learned throughout their lifetime.

The Legacy courses are designed to create an easy-to-use process to help families go through a hands-on approach to pass on a true legacy to younger generations. "A Lasting Legacy" captures all facets of an individual's life. Course 1 guides interested participants through 1) Methods and tools for improving intergenerational relationships; 2) Sharing Your Values and Life Lessons; and 3) Passing on Personal Possessions of Emotional Value. Course 2 addresses the legacy components of 1) Preparing Instructions and Wishes

to be Fulfilled and 2) Distributing Financial Assets and Real Estate.

Thorough discussions about legacy planning should include talking about all four components of a true legacy: values and life lessons, personal possessions of emotional value, fulfilling final wishes and instructions, and financial assets and real estate. If the conversations between a parent and child do not cover all four components, the legacy conversion is not complete.

Clarifying plans and explaining intentions can make otherwise contentious decisions understandable and avoid lasting resentments. When legacy decisions are made and then communicated to the family, research shows that family members are more likely to accept the outcomes. Family members will also benefit from the special memories and stories that have been shared.

For more information about the courses, please contact Rod Sharp, [Rod.Sharp@colostate.edu](mailto:Rod.Sharp@colostate.edu).

## Institute for Livestock and the Environment's role as problem-solver

Balances economic growth with the environment

*By Katherine Sánchez Meador, research coordinator with the Institute for Livestock and the Environment*

Colorado State University's Institute for Livestock and the Environment (ILE) is a new resource for producers to receive science-based updates on livestock and

environmental risks. The group is focused on solving problems at the interface of livestock production and science-based environmental management.

In addition to generating cutting edge research, the ILE works with extension and producer groups (such as the Colorado Livestock Association) to deliver practical solutions to real world issues. The institute has an electronic newsletter The Saltlick, and a website: <http://www.livestockandenvironment.info>

The ILE has brought together faculty from various disciplines across the Colorado State University campus to balance issues of economic growth in the livestock industry with the environment, which is a key component to achieving sustainable rural communities.

The ILE, established in 2008, is directed by Jessica Davis, professor of soil science and extension specialist at Colorado State University. "This is a critical time for CSU to support the livestock industry in their efforts to minimize environmental risks," said Davis. "By working together both within CSU and along with producers and policymakers, our ability to solve real-world problems is magnified."

The institute's objectives include:

- assessing the environmental, economic, and social impacts of livestock production
- evaluating and developing management practices and tools to promote economically and environmentally viable livestock production
- gathering information on public and livestock producer support of management practices, and
- advising producers and informing policy-makers

## Five teams are addressing a cross section of livestock production issues

The ILE has developed five, campus-wide, interdisciplinary satellite teams specializing in air quality and emissions, water conservation and quality, ecosystems, pathogens, and pharmaceuticals. The teams are composed of faculty with diversity in expertise, and include members from five colleges, and 16 departments and program areas. Each team is comprised of social, biological, and physical scientists, and extension faculty.

These satellite teams have taken an integrated approach to conduct research on nonpoint source pollution from livestock production. Current research includes: development of management practices that reduce pharmaceutical concentrations leaving livestock facilities in the form of runoff; the impact of ammonia emissions from agriculture on nitrogen concentrations in alpine lakes in Rocky Mountain National Park; and development of decision-making tools and models to optimize the adoption of best management practices to best protect water quality.

The ILE recently initiated a stakeholder team that consists of a broad group of people including livestock producers and producer groups, environmental and regulatory groups, agency representatives, political leaders and potential funders. Transfer of new technologies and research will be expedited through the stakeholders and extension partners, providing direct avenues for communication with both livestock producers and policy-makers.

The ILE encourages input from producers about livestock and environmental risk management issues. For more information about the ILE, contact Katherine Sánchez Meador at 970-491-2326 or [Katherine.Sanchez\\_Meador@colostate.edu](mailto:Katherine.Sanchez_Meador@colostate.edu)



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