

Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska – Lincoln

THE CHANGING NATURE OF “SUCCESS”

Market Report	Yr Ago	4 Wks Ago	1/5/01
<u>Livestock and Products,</u>			
<u>Average Prices for Week Ending</u>			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt	\$70.00	\$74.52	\$77.37
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt	89.37	92.11	95.00
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg	94.19	96.87	100.53
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt	107.96	114.45	121.46
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt	35.25	43.00	37.75
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd	*	*	37.00
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt	95.80	105.70	*
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt	*	63.95	70.25
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt	163.00	149.00	152.00
<u>Crops,</u>			
<u>Cash Truck Prices for Date Shown</u>			
Wheat, No. 1, H.W. Omaha, bu	2.65	3.21	3.37
Corn, No. 2, Yellow Omaha, bu	1.71	1.89	2.02
Soybeans, No. 1, Yellow Omaha, bu	4.23	4.83	4.69
Grain Sorghum, No. 2, Yellow Kansas City, cwt	2.75	3.59	3.77
Oats, No. 2, Heavy Sioux City, IA, bu	*	1.30	1.21
<u>Hay,</u>			
<u>First Day of Week Pile Prices</u>			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton	100.00	110.00	115.00
Alfalfa, Lg. Round, Good Northeast Nebraska, ton	32.50	75.00	67.50
Prairie, Sm. Square, Good Northeast Nebraska, ton	*	95.00	100.00
* No market.			

What is the definition of a *good farmer/rancher*? Of course, that has always depended a great deal on whom you ask, as well as their age. As things have changed, so has this definition, in my opinion.

Working individually with many Nebraska farmers and ranchers over several years has given me a chance to recognize some patterns. Here are a few common threads, along with some reasons those valued qualities continue to change.

Hard Worker. While this list is not complete and in no particular order, this one seems to have been around a long time. Some people equate hard work and being busy with success. Today's philosophy: work smarter, not harder.

Clean. This refers to a farmer's fields (free of crop residue), not his or her personal appearance. In most areas today, the wise application of chemicals and use of a reduced (or no) tillage program for producing crops has many economic benefits over "conventional" methods. Given the increase in number of acres for many farms today, there would not be enough human resources available to cover all of those acres in a conventional fashion.

Helpful Neighbor/Good Community Member. This has almost been a "given" in rural communities. Farmers and ranchers are famous for their unselfish acts and commitments to those around them (neighbors, community, travelers, etc.). While this characteristic is still important today, there has been some adjustment in this area. Many producers are spread over a larger geographic area, neighbors are further apart, and other factors (communications, Internet, etc.) are changing this part of the fabric of rural society.

Flexible. Farmers and ranchers have always had to be flexible, as they dealt with weather, prices and other conditions they could not control. As five generations (Matures, WWII, Baby Boom, Generation X and Genera-



tion Y) work side by side in agriculture, flexibility in valuing others' points of view has become a vital tool for extended family operations.

Good Provider. Sure this is important. But, the collective definition of "good provider" has had to change. It has not been easy for many to accept the fact that most ag producers now rely on non-farm income to meet all the financial needs of the business and family. Many operations are now adjusting what they do, how they do it, or are adjusting their lifestyles to accommodate one or more part-time or full-time jobs off the farm. In addition, traditional gender-based roles on the farm/ranch are changing. It is not unusual for women to participate more actively in the agricultural operations, as well as the financial planning and monitoring.

Family Person. No question that this is perhaps the ultimate goal for many farmers/ranchers. But, as mentioned earlier, many people have had to redefine some areas of their lives, as busy work and family schedules collide. Everyone has priorities, but it becomes vital to "carve out" time and rearrange career and family activities, in order to achieve our goals.

HOW IS SUCCESS MEASURED?

Regardless of anyone's definition of a "good producer," actual success is another matter. Different generations have slightly different views in this area -- which result in lively discussions within families. Generally, success is measured by the bottom line -- return on investment, return on assets, etc. But, I'd like to reflect on some general skills that seem to be the common denominators among successful people that I've worked with.

Vision Skills. These include setting personal, professional and family goals; a good perspective of where they are and want to be; a general mission statement for their operation; and a good attitude! Some people tend to get bogged down in details and are hampered by negative outlook. That is difficult for anyone (family, employees, others) in the operation to overcome.

Business Skills. A good general understanding of economics -- costs, returns, etc. -- seems obvious, but not everyone has this. Successful people know how their operation is doing, what their business and production trends are and how they are faring in relation to others in the ag industry. They stay up on current events that may impact their business.

Delegation Skills. No one can do everything. It is important to be good at some tasks, but even more important to realize where assistance is needed. Identifying who has strengths in different areas -- teaming up with others (family, employees, neighbors, etc.), bartering and hiring

some things done, are all viable options. Successful delegation means relinquishing control; some personality types do this more comfortably than others.

Organizational Skills. The knowledge of basic and advanced tools to aid in management is a big key. This includes awareness and use of business structures (LLC's, Partnerships, Corporations, etc.), accounting practices, tax law, general management and time management. Just having a handle on sources of information, documents, services, (and even the occasional 24" pipe wrench) can save a lot of time and frustration for everyone!

Communication Skills. Dealing with lenders, suppliers, landowners, employees and family (immediate and extended) enters here. This area is often a challenge in operations, even when people have good skills in every other area. Positive personal interaction is especially important for those in product development and promotion. Not everyone finds these skills easy. And when stress levels increase, communication skills don't always rise to the occasion.

Balance Skills. It is important to avoid "burn out." There will always be tasks that *could* be done on a farm or ranch, but it is important to create a sense of balance in life: family activities, hobbies, diversions, etc. Having good balance is not always easy, but it helps in the adjustment area, too. Most people who have good balance have been more successful in anticipating and making changes in their lives and their businesses.

In my experience, no matter what is produced, where the farm or ranch is located, or how marketing is done, a solid command of these skills will be important tools for continued success!

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