

THE CATTLE CALL

Newsletter for Alumni of the TCU Ranch Management Program

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From the President Gilly Riojas 2002

For the last two years, I have had the privilege of serving as the Ranch Management Alumni president. These two years have flown by-and what an experience it has been. I was deeply honored when I was elected and have been thrilled with the experiences over the last two years. The current status of the program is one of the highest in recent memories with each class being near capacity and more money in our scholarship program than in recent history. All of this is attributed to the hard work and dedication of our professors and staff. Without them the program would not function. When I started my term, the program was right in the middle of what was one of the biggest crossroads in its history. The faculty was starting with three new professors and a new director. It was a scary point in time where either the program was going to go forward or backwards. Due to the hard work of the staff, the program has shot forward and, in my opinion, will only continue to get better.

Over the past few months, the U.S. economy has been severely impacted by what started as "are we moving into a recession" and "could we be moving into a depression"? I do not have the answers, and will not claim to have them. The only thing that I know is what has happened over the last few years to help lead us to this point. Accordingly, as the economy is reacting to what is occurring, the commodity markets have followed suit as credit is tightened and investors pull money from various funds. Even with all the negativity that is surrounding us, there is always opportunity. They

always say, "When no one wants to buy, that is when you buy; when everyone is walking, you should run; and, what the mass majority does, you should do opposite". I know that these are not always true, but they are just a reminder of hope and light at the end of the tunnel. Opportunity is everywhere, and you must be prepared to seize that moment when it happens.

Again, the last two years have been amazing and I am truly honored to have been able to represent the alumni as their president. I still look forward to being involved with the program in any way that I can, because without the alumni, the program would not exist. I would like to congratulate Steven Mafrige, who will be serving as president for the next two years starting in January.

I would like to remind everyone to start planning to attend Roundup on January 24th. We will be at a new location and look forward to having a wonderful time. Thank you for everything.

Roundup

January 24, 2009



*Make plans now to attend
Roundup and please consider a
donation to the auction.*

Roundup information can be
found on page 5.
Registration form inside.



The following article appeared in the Ranch Management Consultants December newsletter. In light of the financial hardships that are impacting everyone, I felt this article was fitting for the times. *Special permission was granted for us to reprint this article in our Cattle Call newsletter.*

Wall Street, Main Street and Rural Routes

There's been a lot of talk about the impact that the financial crisis on Wall Street is having on Main Street, but what about the impact on ranchers and ranch families? Here's what I think we have in store:

Beef Prices Are Going To Drop. People still need to eat, but they don't need to eat beef. When times are good the demand for beef goes up. Times are tough and getting tougher for most people who eat. Beef will become a luxury that most folks simply won't be able to afford. Expect demand for beef to go down as the demand for hamburger helper goes up.

No New Neighbors. A realtor friend of ours told us recently that there are currently over 2,500 foreclosures in our community! Rural land values and farm & ranch families haven't been, and won't be, affected the way home values and families in suburbia have been impacted.

(See **Wall Street, Main Street, & Rural Routes** on page 2)

(Wall Street, Main Street, & Rural Routes cont'd from page 1)

However, while driven by different forces, rural property values will take a hit too.

Here's why. The stocks in my mother's portfolio are worth half of what they were a year ago. That's a shock wave that is felt hardest by the people who have the most. The people who have the most are the people who drive the market for rural real estate. (They still have the most, they just have less than they used to.) Expect the demand for ranch land to drop. Properties will stay on the market longer and don't be surprised when land prices begin to come down. (In the west those values will still be well above their ag. value.)

While ethanol may temporarily extend the appreciation trend, I don't think it will last. Politicians and policy makers will eventually sober up and realize that corn ethanol is not environmentally or economically viable. Expect the corn ethanol bubble to burst in a year or two. When that happens, farm land prices will take a tumble.

The Conservation Easement Ship May Have Sailed. There will be less pressure to develop ranches and less money in the coffers of non-profit organizations that support conservation easements. With less demand for development and less money to buy easements, expect it to become more difficult and less lucrative to secure conservation easements.

Less Off Farm Income. For years our reliance on off-farm income has been increasing. That may be coming to an end, not because people won't need the income. It may come to an end because it is going to get harder and harder to find off-farm work.

There Is Good News. Like every dark cloud this one has a silver lining. Ranchers following the Ranching For Profit principles are well positioned to ride through what may be a long recession. In fact, this may be an

opportunity for some to strengthen their position. Those who will succeed share the following characteristics:

1. They have very low overhead costs. How low? At today's prices less than 50¢ of their gross income goes to pay overhead costs. The easiest dollar to make is often the one you didn't spend.
2. They have strong gross margins. How strong? At today's prices less than 30¢ of their gross income goes to pay direct costs. That means their herds and flocks have been culled heavily to select for animals that are productive with minimal inputs.
3. They don't carry excessive debt.
4. They have built biological capital. They have the most grass and the healthiest soils. They don't need herbicides, fertilizer and a lot of supplemental feed.
5. They have a plan for profit and that plan includes investments. The stock market crash was bad news for folks who were in the market, but what a great opportunity for those who are positioned to get in.
6. They are connected to a community of positive, forward thinking people who look for opportunities in a crisis and support one another through good times and bad.

It may be a rocky financial road ahead but that doesn't mean you should sit by the roadside and wait for someone to pave it. It means you'd better become a better driver and steer a smart route.

Ranch Management Consultants

This article was written by Dave Pratt and appeared in the Ranch Management Consultants December newsletter.

<http://www.ranchingforprofit.com/index.html>



Well, it's that time of year again--- RoundUp is approaching fast. This year, we will be relocated to the Stockyards area on the North side of Fort Worth, and we think it will be an exciting change. Many aspects such as the auction and dinner/dance will remind you of years past. What will be noticeably different is a minimum level of security, but with the amount of tourist traffic in the area, a "gate-keeper" will be helpful.

Our invited speakers include Mr. Jim Link, formerly of the Ranch Management Department and current head of USDA's Agricultural Marketing Service. He will share some of his experiences with us, comment about on-going work with MCOOL and provide insight as to what the new administration may mean for agriculture. In addition, Mrs. Deborah Perkins of Rabobank International has agreed to speak about the outlook for the financial sector going into 2009, with emphasis of how the global economy relates to American agriculture.

As in years past, we will host the auction and look forward to your donations. Along those lines, this year's auction will be a little different, as the department will pay tax on the sale of items. This will require a little more paperwork at this end, but we are glad to do it, in order to comply with TCU policy and continue to raise all-important scholarship funds. We know you are busy, but please attempt to get auction items to us as soon as possible and thanks for your generosity.

We hope for another enjoyable RoundUp. We look forward to seeing you there!!!



The Recruiting Trail

As always, I am thinking about how fellow alumni can help to recruit great young students. I would like thank each of you individually for a wonderful job of recruiting prospective students for the Ranch Management Program. Every year we ask the class how they heard about the program, and I would say greater than 75% of our students comment that they have met fellow alumni. My two main concerns in recruiting students is the level of ranch experience of each student and the rising cost of the program. Both of these seem to be compounding each other. The students from the family ranch with all the work experience do not have the finances and the students with the finances do not have the hands on experience. We need both of these students.

This is where alumni come in. In your everyday trails, you are visiting, working with and observing young people that have great work ethic and life skills, yet little financial ability to go to college. I am not promoting students come to the program without some type of college experience. They must have shown some type of study ability to succeed in this program. But in the same statement students must have some ranch working experience to fully grasp the depths of this program. The perfect class would have a great mixture of both.

We also have potential employers that call and say they will pay whatever it takes to get the right person for their ranch manager jobs. Many of these jobs are in areas of the country where very few students are coming from. It is natural for graduating students to want to migrate back to the area of their upbringing. My suggestion is a two-part one: let the RM staff know of both of these situations and allow us to match

some of these people. The prospective employers can finance the student's schooling, with the student willing to work off the debt on the ranch.

The key to life is communication and I am just asking you to let us know how we can help match prospective students with prospective employers.



Still No Silver Bullets

In recent weeks, I have received several phone and email questions regarding supplemental winter feeding. Last week I attended an Agrilife Extension meeting in Parker County with Dr. Ron Gill, Extension Livestock Specialist as the speaker. He was tasked with speaking to an eager audience, all of them ready to find the answer to their respective cattle feeding question. Dr. Gill did a great job of addressing the issues and by the end of the program, everyone in the room had a chance to ask his or her questions and get to discuss each with the group. Unfortunately, there are probably still no silver bullets. But I did pick up on a couple of great points that Dr. Gill made that are commonly overlooked.

The first point was the fact that a cow that in the latest stage of gestation may not eat what the books and tables say that she will. She is toting around a couple of hundred pounds of pregnancy and does not have room to fill up the rumen. Although she may look full, we still need to supplement her if she is running on dormant or low quality forage. If not, whenever she calves, she may fall into such a wreck that we cannot bail her out.

Another great point brought up was the rate of utilization of non-protein nitrogen (NPN – usually supplied by urea) by the cow on various qualities of forage. By "utilization," we simply mean "how much the cow is actually

using" as opposed to the amount that passes through and is wasted. Obviously, the better the forage quality, the better the NPN in the diet will be utilized by the animal. In a feedlot diet, for instance, NPN is very well utilized because of the high carbohydrate content of the diet. On dormant range or other lower quality forage, NPN utilization will be much lower. High NPN supplements may need a bit of grain, other sugars, and carbohydrate material to help with the utilization. Unfortunately, a high NPN cube with very much grain or carbohydrate will have to be fed daily to prevent digestive upset issues.

While there may not be any huge bargains in the supplemental feed world this year, we all need to keep a sharp pencil and arm ourselves with all the information that we can to be efficient with what we are doing. I wish you all a Merry Christmas and may God bless your New Year.



Our Faculty and Staff would like to wish you Happy Holidays.

**ROUNDUP 2009
DIRECTIONS AND HOTEL INFORMATION**

Roundup Morning Session will be held in the new TCU Brown-Lupton University Union in Room 3301 A&B. Join us at 8:30 a.m. for coffee and a light breakfast. The morning session will begin promptly at 9:00 a.m. The Union is located at 2901 Stadium Drive, across the street from the Dee J. Kelly Alumni and Visitors Center, the Daniel Meyer Coliseum, and the Amon G. Carter Stadium. The building is approximately one block west of University Drive between Cantey and Bellaire Drive North. Visitor parking is located across the street from the Union at the Dee J. Kelly Alumni and Visitor Center.

Southwestern Exposition and Rodeo tickets for the Saturday Matinee Rodeo performance are available on a first come-first serve basis. We have a block of 70 tickets that are \$22 each. Tickets must be reserved and paid for by January 19, 2009.

Dinner/Auction/Dance will be held in the Stampede Room of the Stockyards Station located in the historic Fort Worth Stockyards at 130 East Exchange Avenue. The Stockyards Station is approximately 1-1/2 blocks from the intersection of N. Main and E. Exchange on the right hand side. Parking is available on the east side of Stockyards Station, access parking from 23rd Street or East Exchange Avenue. Please cut out the complimentary parking pass at the bottom of this page and bring it with you. You will have to pay for parking if you do not have a parking pass. We will have parking passes available at the Ranch Management building any time prior to Saturday, January 24th and at the morning session of Roundup on January 24th.

The **Hyatt Place Hotel** is located at 132 East Exchange Avenue adjacent to Stockyards Station. *Room block has been extended through January 2, 2009.* For reservations call 817-626-6000.

The **La Quinta** is located at 4700 North Freeway (I-35). From I-35 West take exit 56A- Meacham Blvd. For reservations call 817-222-2888.

ROUNDUP RESERVATION FORM

Number Attending:

Morning: No. _____ x \$ 5.00 = \$ _____

Rodeo: No. _____ x \$22.00 = \$ _____

Dinner/Dance: No. _____ x \$20.00 = \$ _____

Total Amount Enclosed

\$ _____

*Payment Is Due By Monday, January 19, 2009
Please Make Checks Payable To: Ranch Management
Mail To: TCU Ranch Management
TCU Box 297420
Fort Worth, TX 76129*

To pay by credit card, please contact our office at 817-257-7145.

Your Name:

Grad Year: _____

Address: _____

Telephone Number: _____

Guest Names:

AUCTION DONATION FORM

ITEMS:

2009 ROUNDUP AGENDA

Saturday, January 24, 2009

8:30 – 9:00

REGISTRATION, LIGHT BREAKFAST & VISIT

TCU Campus
Brown-Lupton University Union
Room 3301 A & B

9:00

MORNING PROGRAM

12:00

LUNCH

(On Your Own)

2:00 – 5:00

MATINEE RODEO PERFORMANCE

Southwestern Exposition & Livestock Show - Block of 70
tickets \$22.00 each – first come first served basis and
must be paid for by

Monday, January 19

6:30 – 7:30

COCKTAILS

Cash Bar (Nothing Brought In)

Stockyards Station

130 East Exchange Ave.
Fort Worth, TX 76164

7:30

DINNER

Buffet

8:30 – 9:30

AUCTION

9:30 to 12:00

DANCE



**ROUNDUP DINNER
MENU**

- Tender Smoked Brisket
- Hill Country Sausage
- Cheese Enchiladas
- Shredded Beef Soft Tacos
- Mustard Potato Salad
- Fresh Cabbage Slaw
- Southwestern Rice
- Spicy Pinto Beans
- Tortilla Chips and Salsa
- Fresh Rolls
- Warm Apple Empanadas
- Chocolate Fudge Pecan Pie
- Ice Tea & Coffee

**COMPLIMENTARY PARKING PASS
FOR THE STOCKYARDS STATION**



**STOCKYARDS STATION ENTERTAINMENT
COMPLIMENTARY PARKING PASS**

**YOU WILL BE REQUIRED TO PAY FOR
PARKING WITHOUT THIS PASS**

**FOR THE EVENT OF
TCU Ranch Management Program
Saturday, January 24, 2009**

PARKING AVAILABLE AT

EAST SIDE OF STOCKYARDS STATION
ACCESS PARKING FROM 23RD STREET OR EAST
EXCHANGE AVENUE