

Are Small-acreage Livestock Producers Real Ranchers?

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During the gradual approach flight into Dallas/Ft. Worth airport one night several years ago, I peered out the window at the numerous lights that dotted the rural landscape and wondered about the folks living there. Most likely, I was viewing the yard lights of various Texas "ranches." In some areas the lights were in close proximity, and in other instances there was considerable distance between them. Obviously, some of the ranches were large and many were small. I mused about the reasons that might have caused people to settle those particular spots in what we call the "country." I could not from my bird's-eye view know the reasons why or how small-acreage ranchers remained on the land. But those are questions that are, or should be, of interest to the rangeland discipline. The trend in ranch size in the U.S. is towards smaller units. Texas ranches are no different. There are still many large ranches in Texas, but the majority are small.

For example, more than three-fourths of all farms/ranches in Texas are less than 500 acres (U.S. Dept. of Commerce 1987). In addition, eighty-one percent of beef cattle farms/ranches in Texas have fewer than 50 cows in their livestock inventory and these operations produce more than thirty percent of the total number of beef cows. Less than one percent of all farms/ranches in Texas have more than 500 cows in their operations, but they produce nearly twenty percent of all beef cows.

In a statewide mail survey of Texas ranchers (Rowan and White 1994) the median ranch size (650 ac) was much smaller than the mean size (5,660 ac). The distribution was skewed towards a relatively large number of smaller-sized ranches. Much of the emphasis of extension programs and publications has been to assist the traditional full-time agricultural clientele, with larger than average acreages. Traditional economic rationale presupposes that ranchers who, at the very least, aspire to the goal of economic security should manage their resources to attain that goal. But Gessaman (1989) noted that few ranchers have actually identified their goals and those few who have identified goals rarely achieve them.

Obviously, much more information is needed about rancher's knowledge of ecological principles, about the information sources they utilize in the decision-making



Small-acreage operators in Texas may have specialty enterprises, such as thoroughbred race horses, even though the owner's primary occupation is off-ranch.

process, and about how their decisions impact rangeland resources. Personal interviews of ranchers can be a valuable source of information as well as a vehicle to disseminate information. However, the objectives must be specific. The kinds of information that the researcher expects to collect must be carefully considered in order that the interview process does not degenerate into just a listening session. In addition, when objectives are unstructured the researcher will obtain many answers, but the relationship to specific questions is ambiguous (Taylor-Powell and Marshall 1989). Therefore, researchers come away from the interview with data of little value and the rancher feels that the researcher does not value the lessons learned from experience.

To change rancher's perceptions of economic and ecological consequences of management decisions one must consider the reasons why ranchers enter their chosen vocation and what they hope to achieve. Therefore, this study was designed to profile the characteristics of small-acreage operators and to identify their strategic, tactical, and operational management goals.

Methods

From the 1990 statewide survey of Texas ranchers, smaller sized ranches were more frequently encountered in the eastern part of Texas and most notably in the Blacklands/Cross Timbers region (Rowan and White 1994). The median size ranch in this region (271 ac) was used as the critical mark below which ranches were considered to be small-acreage ranches. Respondents from the mail survey in counties within the Blacklands/Cross Timbers region

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conforming to this size restriction were eligible for personal interviewing.

A random list of 50 names was selected from the eligible list and each received an introductory letter during the fall of 1991 to solicit interest in the interview process. A self-addressed, stamped postcard was enclosed with the letter so that ranchers could record their consent to be interviewed. Replacement names were randomly selected from the eligible list until sufficient ranchers consented to be interviewed.

Interviews were designed to collect information about personal and ranch characteristics, as well as strategic, tactical, and operational management goals. Ranchers were supplied a list of goals within each category and asked to rank their most important goals. This portion of the personal interview questionnaire was adapted from Total Ranch Management material. Ranchers attending those workshops often cite the following strategic ranch goals as important: maintaining ranch ownership for children's inheritance, meeting family living expenses, having adequate security against catastrophic losses, and making a profit for investment and improvements (White 1987). Ranchers attending Total Ranch Management workshops represent various sized operations, and thus had goals ranging from profit-oriented to family-oriented. Different strategic goals may warrant different management of resources. Thus, hierarchical goal formation leads from strategic goals to personal/resource goals which include: lifestyle, financial, rangeland, animal, physical, and human. Within each category, respondents were asked to identify those tactical goals that most closely matched their management approach.

For any pair of strategic goals, resource goals may overlap (complementary) or they may diverge in different directions (antagonistic). Consequently, resource goals chosen by ranchers were compared to determine if those ranchers who set a specific strategic goal differed in the way they

chose resource goals from those ranchers choosing resource goals under a different strategic goal.

The survey instrument was pretested on three ranchers who were not part of the eligible population. Each rancher operated approximately the same sized Blacklands/Cross Timbers ranch as the targeted group.

Respondent ranchers from the Blacklands/Cross Timbers region were statistically compared against nonrespondents from the same region to determine if interviewed ranchers were representative of all small-acreage ranchers in that region of Texas. Statistical tests were performed on variables for age of rancher, number of acres in the ranch, number of acres of owned rangeland, number of years operating the current ranch, and number of years of total ranching experience.

Results

A total of 128 respondents from the statewide mail survey matched the restrictions set out in the Methods section. Approximately one-half of the eligible small-acreage ranchers eventually responded by postcard. Of this number, approximately one-half consented to be interviewed. Twenty eight ranchers representing 24 Texas counties in the Blacklands/Cross Timbers region were interviewed (Fig. 1).

No differences were discovered between the interviewed group of ranchers and nonrespondents within that region for any of the interval variables measured. The means for respondent age, years ranching, and years operating the current ranch were similar to means for all Texas ranchers (regardless of size) from the statewide mail survey (Rowan and White 1994). Therefore, interviewed ranchers were accepted as representative of the small-acreage ranching group in the Blacklands/Cross Timbers region of Texas and that in-depth information could be applied to all small-acreage ranchers in that region.

Respondent Profile

Small-acreage operators averaged 58 years of age. Eighty-six percent were married and most had children. The average respondent had been ranching nearly a quarter century, of which seventeen years were on the current ranch. Nearly all of the ranches were operated as single proprietorships. Two-thirds of the small-acreage ranchers lived on the ranch they operated. For those not living on the ranch, the average distance to their ranch was 28 miles. Nine of ten small-acreage ranchers qualified for agricultural exemptions on their county property taxes. Using the mid-point of the income categories (\$10,000 increments), the average off-ranch income for the respondents was \$30,000. Average gross income from all sources was approximately \$65,000. Primary investments included savings accounts (70% of respondents) and certificates of deposit (74% of respondents). Only twenty-nine percent of respondents were employed off of the ranch due to the high percentage of persons over-65 years of age in the sample. However, nearly two-thirds of the married rancher's spouses



Some tracts serve as retirement homes where livestock gives the owner "something to do."

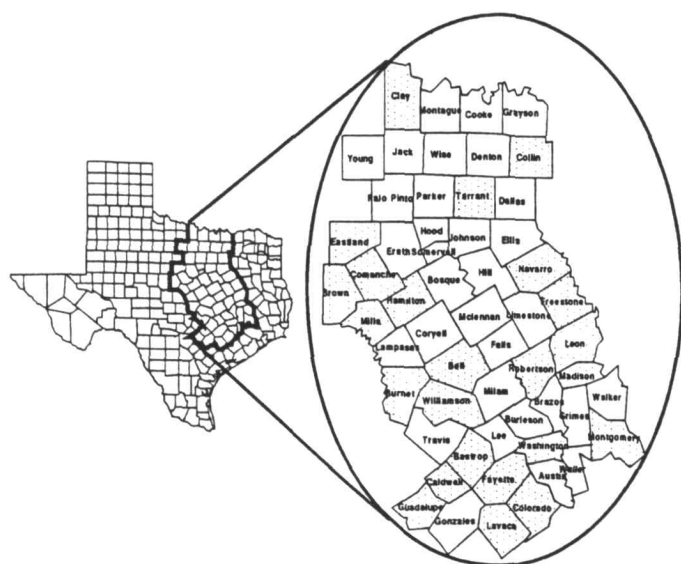


Fig. 1. Map of Blacklands/Cross Timbers region of Texas with counties highlighted where ranch interviews took place.

es worked off of the ranch. For those respondents with off-ranch jobs, three-fourths considered the income from their jobs critical for meeting family living expenses and nearly two-thirds considered their incomes critical for meeting ranch finances. However, when respondents were asked to characterize their spouse's jobs, more than three-fourths of the respondents described their spouse's incomes as critical for meeting family living expenses, but just over one-fourth described their spouse's income as critical for ranch finances.

Table 1. Personal and ranch characteristics of small-acreage rancher sample with mean values and number of respondents for selected questions.

Variable	n	Mean
Total number of acres in the ranch	28	172
Number of acres of rangeland	22	57
Number of acres of pasture	24	80
Number of acres of buildings	26	3
Number of acres of cropland	9	32
Number of acres owned	28	129
Number of acres leased from someone else	7	43
Number of acres managed for someone else	1	0
Number of acres purchased in last 10 years	3	21
Number of acres sold in last 10 years	2	7
Number of years in ranching	28	23
Number of years operating this ranch	28	17
Average hours/week respondent works on ranch	27	30
Average hours/week spouse works on ranch	23	6
Average number of children	26	2.5
Average age of respondent	28	58
Average age of children	25	32
Average hours/week children work on ranch	6	27
Distance in miles to most used auction barn	23	12

The average small-acreage rancher operated 172 acres, of which 129 acres were owned and 43 acres leased from

someone else. None of the ranchers interviewed were leasing any land to someone else. Acquisition of the average owned acreage (129 acres) was a combination of purchases (109 acres) and inheritance (20 acres). Land acquisition by the average small-acreage rancher was fairly static (Table 1). Fifty-nine percent of ranchers with purchased acreage owned the land without debt. When asked to disclose the amount of current debt on land (same categories as income), the average debt level was \$27,000. The most common lending source utilized by nearly half of small-acreage ranchers with real estate debt was commercial bank financing.

Half of respondents were utilizing a commercial cow/calf enterprise solely or in combination with another animal enterprise. Forty-three percent were operating registered cattle operations. Only a few had stocker cattle enterprises. None of the Blacklands/Cross Timbers ranchers utilized commercial or registered sheep enterprises. Only one rancher had spanish goats and none had Angora goats.

Since the ranches under consideration were small, wildlife enterprises were not common. A few ranchers (11%) were cognizant of wildlife when preparing management plans, regardless of whether they derived income from wildlife. One rancher operated, exclusively, an exotic wildlife enterprise.

When asked if they set financial goals for their animal enterprises, only thirty-seven percent of ranchers responded positively. Setting goals for each enterprise would allow ranchers to evaluate movement toward these goals. Without some form of evaluation it would be hard for ranchers to know how effective their chosen enterprises were moving them towards their goals. For ranchers who had set enterprise goals, only a third indicated they were satisfied



Other small-acreages are weekend spots to escape fast-paced urban life.

with progress toward achieving their goals while more than one-half were dissatisfied. Dissatisfaction with current enterprises did not necessarily equate with change because thirty-six percent of respondents said they had no reason to change the type of enterprises on their ranches. If changing their operation was considered an option, available capital and labor requirements were the largest obstacles to change. Neither fear of failing in a new enterprise nor insufficient information to begin a new enterprise were considered obstacles to change.

Livestock marketing practices are often a function of ranch size. This was no exception for the small-acreage ranchers. Ninety-six percent indicated they used an auction barn in their ranching operation. When ranchers utilized an auction barn, most of the time it was the auction barn closest to their ranch, an average distance of 12 miles. As an alternate marketing source, nearly half of small-acreage ranchers utilized private-treaty sale of livestock either exclusively or in combination with other marketing strategies. None of the ranchers utilized advance marketing or the futures market.

Record keeping is a practice often overlooked by ranchers. This was clearly demonstrated by responses to questions about the type of records kept by ranchers. Forty-six percent reported keeping a balance sheet, thirty-one percent kept an income statement, twelve percent kept a cash flow statement, and none used a budget.

Table 2. First, second, and third choice strategic ranch goals selected by Blacklands/Cross Timbers' respondents ranked in descending order of importance of first choice goal.

Strategic Goal	First Choice	Second Choice	Third Choice
-- % of all respondents--			
1. Like to live in the country	43	4	11
2. Want to work with livestock	14	21	18
3. Improve the land	14	18	14
4. Want the ranch to be retirement home	11	7	0
5. Want children to grow up in the country	11	11	0
6. Want ranch to help meet financial needs	7	0	25
7. Want to stay in the ranching business	0	14	0
8. Want to make an economic profit	0	7	18
9. Want the solitude and serenity	0	7	4
10. Want to be own boss	0	4	7
11. Want to protect the environment	0	4	0
12. Enjoy ranching more than anything else	0	4	0
13. Make enough money to buy more land	0	0	4
	100	100	100

Management Goals

Ranchers had the opportunity to pick from a list of overall (strategic) ranch goals that they set for their operations. Respondents ranked their choices according to first, second, and third choices (Table 2). The top three first-choice strategic goals were: 1) that they wanted to live in the country, 2) they wanted to work with livestock, and 3) they wanted to improve the land. The two most important second-choice strategic goals were that they liked to work with livestock and wanted to improve the land. Most important third-choice strategic goals were that respondents wanted the

ranch to help meet financial goals, they wanted to work with livestock, and they wanted to make an economic profit.

Overall ranch goals have an impact on the way resources are managed. Respondents were questioned about their goals for six resource categories. Under each category, they were presented a list of goals and asked to identify those goals that corresponded with their ranch management. Most frequently selected first and second choices are shown in Table 3. Respondents mostly enjoyed the "ranching" lifestyle and sought to maintain or improve upon it, desired the ranch residence during retirement, wanted to increase livestock carrying capacity, wanted to own and manage livestock, wanted to maintain a home for themselves, and wanted to learn new and better ways of doing tasks.

Table 3. Proportion of all respondents selecting their first and second most important personal/resource goals.

Personal/Resource Goals ¹	First Choice	Second Choice
--- % ---		
Lifestyle goals:		
Enjoy the lifestyle and seek to improve upon it	57	11
Enjoy working with livestock	14	32
Enjoy viewing wildlife and manage accordingly	14	4
Desire the ranching experience for children	11	25
Financial goals:		
Want the ranch to be residence during retirement	32	29
Plan for the ranch to be estate for children	32	29
Desire the income for living expenses	14	7
Want to increase real estate value	7	11
Need this occupation in retirement	7	11
Rangeland goals:		
Want to increase livestock carrying capacity	46	14
Want to prevent soil erosion	21	36
Want to increase animal production/acre	18	18
Improve range condition and trend	4	18
Animal goals:		
Want to own or manage livestock	96	0
Want to manipulate production potential of livestock	0	68
Physical goals:		
Maintain home for rancher	64	0
Maintain barns/shops/other outbuildings	11	50
Make improvements such as fences or ponds	11	29
Human goals:		
Want to learn new and better ways of doing tasks	50	21
Want each family member to share talents on ranch	18	4
Want to be own boss	14	11
Want to minimize labor requirements	7	50
Want to maximize time for recreation	7	11

¹Only the most frequent responses are listed. Percentages within a goal may not equal 100.

When respondents were grouped according to the three most popular first choice strategic goals, respondents whose primary goal was to live in the country were overwhelmingly committed to that lifestyle. They also enjoyed viewing wildlife, and managed accordingly. Almost half of this group expected to retire on the ranch and they maintained livestock to augment their lifestyles. Making land improvements (fences, ponds, etc.) were not as important as maintaining residences and buildings.

Respondents whose primary goal was to work with livestock were equally split on enjoyment of the lifestyle and



One or two of these makes retirement in the country that much sweeter!

caring for livestock. Ranching to them was more than a rural residence. They wanted their children/grandchildren to be the recipients of their labor. One-fourth were satisfied enough with owning the ranch that they wanted to ranch during retirement. One in four respondents in this group were ranching because they wanted to be their own boss and the same fraction liked improving the ranch with fences and ponds.

Ranchers who liked improving the land were more diversified in their lifestyle goals. They weighted equally goals for enjoyment of the lifestyle, working with livestock, ranching for themselves, and desiring the ranching experience for their children and grandchildren. They set financial goals exclusively for their children/grandchildren's future benefit. However, this group of operators who liked to improve the land overlooked the opportunity to identify goals for improving range condition and trend or preventing soil erosion. They did indicate they wanted to return the land to its natural state and to provide more wildlife habitat. Evidently they viewed these goals as consistent with improving land.

Conclusions

Though the question posed in the title of this paper is rhetorical in nature, the results should prompt the reader to ask what the difference is between a rancher and a "rancher." From experience, some would say that small-acreage ranchers differ from full-time ranchers in their approaches to economies of size, management inflexibility, capital constraints, off-ranch employment income, and selection of strategic goals. Although the process of goal selection should be invariant for all ranchers, the actual goals differ. However, it appears from this study that ranchers do not have much difficulty in recognizing their goals, especially if they are presented with a list of potential goals. Ranchers often make decisions based on multiple goals and most

can recognize what goals are important to them, but the difficulty for some is in prioritizing important goals and putting them into practice.

Some may conclude that full-time ranchers embrace goals of securing an economic profit (a short-term survival goal) and increasing net worth (a long-term security goal) in order to reduce the risk of catastrophic losses. If ranch income is the sole source of income, or nearly so, the number of years in which a profit is earned should exceed the numbers of years in which one is not. Therefore, if these are the goals of full-time ranchers then small-acreage ranchers do not embrace the same goals. Making an economic profit was not selected as the number one strategic goal by any of the respondents interviewed. It was a second choice by only two respondents. Although respondents would not verbalize the words "economic profit" they indirectly implied such when they agreed that the ranch helped to meet financial needs. Income necessary to meet current family living expenses can be charged as an expense against current ranch revenues, but the result may be that a profit is not realized (Workman 1986).

It appears, therefore, that the goals set by Blacklands/Cross Timbers' small-acreage ranchers are non-economic and are generally dominated by lifestyle choices (like to live in the country and/or want to work with livestock). Nearly all respondents owned/managed livestock, probably because the original database was built on livestock producers but also because livestock is an essential element in qualifying for an agricultural exemption on property taxes (90% of respondents had exemptions). Even so, the desire to "work" with livestock was a common thread across the most important strategic goals. Perhaps one difference separating these respondents from "real" rangeland operators is that full-time ranchers are, or should be, forage managers while small-acreage ranchers tend to be animal managers. This was emphasized when almost



It wouldn't be Texas if someone didn't raise Longhorns.

half of the respondents desired to increase carrying capacity as their first choice rangeland goal, while only a few desired to improve range condition and trend as their first choice rangeland goal. There appeared to be either a lack of knowledge or too much reliance on quick fix technology to achieve increased carrying capacity. In lieu of improving range condition and trend, almost three-fourths of respondents were seeding introduced grasses and forbs to achieve their goal of increased carrying capacity. Perhaps these are valid differences that separate small-acreage landowners and full-time ranchers in their practical approaches to increasing livestock carrying capacity and/or improving the land. The challenge facing change agents is to find new ways of reaching the small-acreage clientele with information that will help them meet their lifestyle goals and still be consistent with established ecological principles. Perhaps the first step is to reconsider what is important to small-acreage landowners and how they define and practice principles of range/livestock management. A key point to remember in efforts to disseminate range management and/or natural resource conservation information is that the strategic, tactical, and operational goals of small-acreage operators probably differ from more traditional economic-unit ranches.

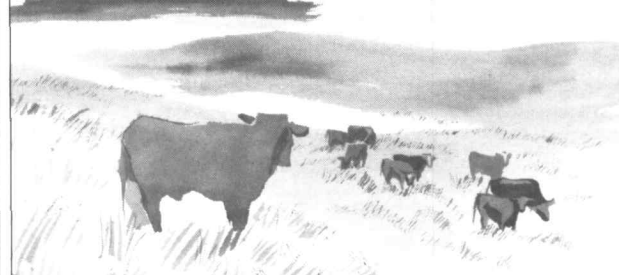
Because the Agricultural Extension Service has a commitment to improving the quality of life in rural areas, new programs that address specific management deficiencies in the small-acreage community are needed (DeBord 1991). The ultimate level of community satisfaction is dependent, in large part, on the individual's quality of life (Ladewig 1977), therefore, greater attention by academic/extension administrators should be focused on the goals that small-acreage ranchers set for themselves. Whatever their goals, economic or social, educational opportunities could help this clientele focus resource goals and management practices towards the achievement of strategic ranch goals. Some may not consider this clientele to be real ranchers but small-acreage landowners' contribution to livestock production and to the potential impact on the land resource is substantial.

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