

INTEGRATION

The newsletter for Geo-spatial and Range Sciences

This newsletter is produced by the GIS Training and Research Center at Idaho State University, Campus Box 8130, Pocatello, Idaho 83209-8130

Welcome to Wall-Ranch

Whether you like Wal-mart (or any of the other large discount store chains) or not, you have to hand it to them when it comes to making sales and turning profits. Wal-mart, according to Business Week magazine is the World's Largest Company with over \$245 billion in revenue in 2002 (three-times the size of the world's second largest company). How did they do it? Well, I am not exactly sure --if I was sure I would probably try to do it myself-- but I think we can figure some of it out through the process of deductive reasoning. For instance, I have never walked into a Wal-mart store and found the price on every individual item to be \$245 billion. You see, they are not betting the ranch on one big sale. On the contrary, I have nearly always found Wal-mart's prices to be deeply discounted. So, I will deduce that they are not earning world-leading revenues based on high-profit margins but rather on slim-profit margins and high volume.

What does this have to do with raising beef? Well, as a model it serves as a good one. Indeed, if Sam Walton were a rancher I suspect he would not have been concerned with weaning weights or individual daily gains, but instead he would have looked for ways to increase the volume of his herd by increasing stocking density and stocking rate. This is the slim-profit margin, high-volume model upon which Wal-mart has built its success.

Of course there is more to it. Commerce is simple compared to nature and nature is an integral part of ranching. In addition, the slim-profit margin, high-volume model makes no mention of sustainability and sustainability --in my experience-- is also integral to ranching. So the question then becomes, can this proven business model be adapted to ranching? To find an answer I turned to Allan Savory from Holistic Management International (<http://www.holisticmanagement.org/>).

Keith I like the connection that you draw as there is good logic behind it in the case of cattle ranching. In the case of commercial ranching the business is really one of selling sunlight harvested through green growing plants and converted, through cattle (or other livestock), to a marketable product. As the bulk of the money tied up in production lies in the value of the land, other capital items, and overhead costs -- salaries, vehicles, buildings and so on, it is vital to produce as high a yield per acre (rather than per animal) as possible.

Tragically ranchers talk about the breed of cattle, their conception rates, and or weaning weights and almost never about their yield per acre. Not surprisingly ranchers are struggling generally, just as Walmart would if their people were focused on yield per article sold rather than total articles sold to cover their vast capital and the overhead tied up in all their outlets.

There is a further dimension to this in connection with your comment on sustainability. The land on almost every ranch in America is deteriorating and thus current ranching is not sustainable. This is reflected in ranchers struggling financially, selling out to developers followed by the break down of rural communities, massive encroachment by invasive plants, eroding soil --now the greatest annual export from the US, and an increased frequency of flooding which is one of the leading weather-related causes of death today. This trend is reflected in the US which is now a net importer of food which is a shocking statistic.

When rangelands are weakened on broad scales --evidenced by a very high percentage of bare soil between plants, the oxidation (rather than biological decay) of old plants, and invasion by tap-rooted plants-- there are only two things that bring this about. These are:

- Too few animals to maintain healthy grasslands -- generally too static, overgrazing plants while over-resting the land.
- The use of fire to try to maintain over-rested grasslands.

Both too few animals (that are too static) and the periodic incidence of fire are pretty standard practices and policies in the US so it is not surprising when we conclude that ranching is not sustainable. It is not surprising that annually many millions of dollars are spent in a futile effort to address a symptom of unhealthy rangelands -- the spread of invasive plants, while never addressing the cause.

As I reply to you from Zimbabwe I am writing on a ranch that I bought over thirty years ago. At the time it was considered fully stocked with 100 head of cattle on 6,500 acres. At the time about 95% of the soil was bare and exposed between grass plants and the river had gone dry -- only flash flooding when a heavy rain fell and most wildlife was dying out. Today the ranch is running over 300 cattle and the river is running permanently with abundant vegetation supporting both livestock and a greatly increased wildlife population. What is more important is that we are trying desperately to find another 1,000 cattle as we simply cannot keep pace with the grass growth. Last year we experienced our worst drought of the last thirty years and yet we were able to offer to take in up to 1,000 head of cattle from neighbors to avoid them starving.

To most ranchers in the US this will sound like exaggeration. However, one has only to look at the official stocking rate of the USDA in central Texas 100 years ago to see that today it looks like science fiction. American rangelands can once more be that productive just as we have learned here on this ranch.

When the sleeping American ranching giant wakes up there is little doubt that like Walmart it will flourish. But in this case it will feed much of the world with good quality grass-fed beef produced in a manner that restores America's soil and water resources while restoring former vast herds of pronghorns, deer, elk and bison.

I long for the day when American ranchers wake up from their slumbers.



Join us for GIS Day
at ISU!

Its November 15th and
its free!

visit <http://giscenter.isu.edu>
for details.

