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Opportunities and Challenges in a Changing Beef Industry: Results of a Statewide Needs Assessment in Iowa

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Summary and Implications

The U.S. beef industry is poised for growth following increased contraction over the past decade that has resulted in the lowest cattle inventory in over 60 years. However, sustainable, long term growth of the industry is dependent upon early identification of issues that may inhibit profitability. A series of seven listening sessions conducted across Iowa in November and December of 2013 by the Iowa Beef Center identified land access, farm transition, production efficiency, marketing, genetics, data management, feedstuffs, and animal health as “mega-issues” facing producers. Specific issues under each of these overarching categories will guide future extension programming efforts within the Iowa Beef Center.

Introduction

Beef cattle numbers in the United States are at the lowest inventory since the 1950’s due to a variety of factors including drought, the resultant lack of feed availability and price volatility, an aging producer-base, and emerging technologies that have resulted in more acres used for row-crop production. Because of this sustained national beef herd contraction, producers who have maintained a marketable position in the beef industry likely have opportunities for increased profitability, expansion, or both. However, challenges to profitability in the current market are often wide ranging, and are likely specific to individual operations.

To better elucidate specific challenges faced by stakeholders, needs assessments are routinely conducted by Extension personnel with local audiences. While it is effective to use advisory boards to assist with issue identification and long-term planning, the use of stakeholder listening sessions or focus groups can add depth and breadth to extension program preparation efforts.

Previous listening sessions conducted by the Iowa Beef Center have led to the development of timely, well-received programs that are still being implemented. While program assessment is a continuous process, it is the intent of the IBC to conduct a formalized needs assessment every 5 years. As a part of this process, a series of stakeholder listening sessions were conducted across Iowa in the fall of 2013 to determine opportunities and challenges for beef producers in the current production landscape. Results of

the listening sessions are used to help guide updates to the five year plan of work for extension curriculum efforts.

Materials and Methods

Needs assessment listening sessions were conducted at 7 locations around the state of Iowa (Figure 1). In addition to one centrally-located listening session (West Des Moines, IA in region 5), one listening session was conducted in each of the 6 regions that correspond to a beef field extension specialists. These included Cherokee, Ventura, Delhi, Lewis, Centerville, and Washington, IA in regions 1-6, respectively. Approximately one month prior to the needs assessment, between 10 and 20 stakeholders representing feedlot, cow-calf, and allied industry from each region were contacted by their field specialist via email and/or phone and asked to participate in a voluntary listening session for the Iowa Beef Center. A total of 60 stakeholders attended the listening sessions.

At initiation of the meeting, lunch or dinner was provided and introductions were made. A verbal overview of the Iowa Beef Center was presented concurrent with printed material that briefly reviewed new and existing programming. Programs that stemmed from previous listening sessions and needs assessments were emphasized to highlight the value placed on stakeholder feedback.

Subsequently, the procedure for the remainder for the meeting was outlined. Producers were asked to write down a short list of opportunities in the beef industry and/or challenges to increased profitability or expansion within their beef enterprise (i.e. “What keeps you up at night?”). To facilitate the free exchange of multiple ideas and concepts as opposed to devoting extensive time to any one topic, each producer was asked to initially share only one key item from their list and briefly expand on this topic. Once each producer had the opportunity to engage in the session, subsequent rounds of input and comment were observed until participation and flow of new input began to diminish. Listening sessions, including the meal, lasted approximately 3 hours at most locations.

Results and Discussion

At the completion of the listening sessions notes were compiled, and where applicable, aggregated into overarching, major themes. While this is not an all-inclusive catalog of all topics discussed, repetition across locations and consensus among producers warranted a place on the list. Themes and an accompanying summary are ordered from 1 to 8 based on frequency across sites, combined with intensity and depth of discussion by the group of stakeholders at each location.

1. **Land access:** Stakeholders identified the need for more/alternative grazing opportunities as well as more information on some aspects of current grazing systems and programs. Examples of this include:
 - a. Making better use of and/or gain access to existing conservation reserve program (CRP) lands for forage purposes.
 - b. Revert marginal row-crop lands back to pasture.
 - c. Effective use of cover crops in a grazing system.
 - d. The need for research on beef cattle palatability of modern varieties of corn residue.

Producers asked for help in keeping better informed of policies specific to crop insurance (cover crop double cropping), fencing laws, and government conservation cost share rules and regulations, just to name a few. In many instances, producers expressed a lack of understanding in how rules and regulations in these areas are interpreted, and thus they are hesitant to adopt alternative land utilization practices for grazing.

2. **Farm transition:** Effective integration of young and new producers and future generations into beef production and existing operations. How can these individuals get the tools that they need to thrive in the beef industry, and how do existing producers make it both profitable and attractive when competing against row crop farming? Moreover, what opportunities exist to get new, young, and future farmers involved in low-equity, low-risk situations and allow them to build capital?
3. **Production efficiency:** How to increase production efficiency; both feed efficiency and reproductive efficiency. How can producers effectively measure production costs with minimal record keeping?
4. **Market:** This includes risk management, marketing, and price discovery. How can producers better position themselves to ensure a profit (particularly on fed cattle)? Several producers acknowledged that more education in risk management (hedging, options, forward contracts, etc.) would be warranted.

5. **Genetics:** How can producers better utilize genetic information in both the cow-calf and feedlot sectors? It was acknowledged that producers desire to have a better understanding of basic genetics, indexes, and how to use these tools in different management situations.
6. **Data:** Benchmarking and data management. Producers would like to be able to better integrate feed calls and feed delivery into existing feedlot management software programs. The need for better benchmarking and data management that support benchmarking was a recurrent theme among cattle feeders as well as cow-calf producers.
7. **Feedstuffs:** Maintaining a competitive edge in cattle feeding. How does the price of current co- and by-products affect the competitive advantage that Iowa holds over other regions? How does the consistency of these products affect our efficiency?
8. **Herd Health:** Are current methods for processing high risk cattle the best methods? Are there new management schemes that can be implemented to raise and source healthier cattle? Specific to recent changes in cow-calf production, how does confinement cow-calf management schemes impact herd health?

These listening sessions reinforced the need for routine assessment and revision of the plan of work for long-term programming efforts. Although farm transition, land access, and production efficiency are recurrent themes from previous years and are now an emphasis of IBC programming, issues such as genetics, price, and data management are drawing increased awareness by producers. Continued market volatility as well as emerging technologies in the fields of genetics and data management, as well as increased awareness of animal health and well-being is highlighted by these listening-session derived issues. Moreover, this list speaks to beef producers' ability and willingness to incorporate new information and technology into their enterprises to produce a high-quality, profitable product in today's environment.

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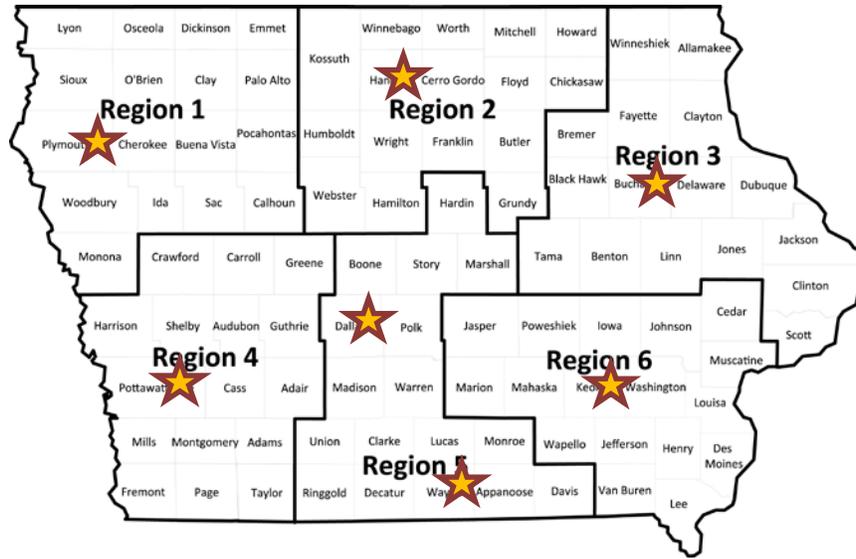


Figure 1. Pictorial representation of Iowa Beef Center needs assessment listening session sites.