

## Let's Grow Program Round 4 – Funded Projects, 2016

### 2017 Sheep Producer Webinar Education Program

**AWARDED TO:**

Optimal Ag Consulting, Inc.

**SCOPE:**

Nationwide

**SUMMARY:**

Since the fall of 2012, we have offered a total of 19 webinars in cooperation with the American Sheep Industry (ASI) Association and the Let's Grow Committee. The presently proposed project will fund four additional educational webinars for sheep producers and aspiring sheep producers during 2017. As a result of this project, we expect over 400 sheep producers across the U.S. will benefit from attending live educational webinars on timely and important topics that can help them be successful in today's challenging world. In addition, recordings of the webinars are expected to provide over 4,000 more participants access to these educational events by the end of the project.

**STATUS:**

Completed

**FINAL REPORT:** [Final Report](#)

## **Supporting Young Producers Ability to be Competitive**

### **AWARDED TO:**

ASI's Young Sheep Entrepreneur Committee

### **SCOPE:**

Nationwide

### **SUMMARY:**

Members of the ASI Young Sheep Entrepreneur group requested that the leadership present a session on the probability of increasing production without increasing numbers while decreasing production costs, making them more able to compete with foreign products. Our plan is to expose the young entrepreneurs to examples of possibilities to achieve this goal during the 2017 ASI Convention and then take them to existing operations to experience firsthand some of the options they can utilize in their own operations. Since some operations have maintained very traditional set-in-stone practices that have been handed down from previous generations and have not accepted the changes facing the industry today, we hope this proposal would provide assistance to help young producers evaluate options available to them and succeed in their industry and achieve their goals in their future.

### **STATUS:**

Complete.

### **PROGRESS REPORT:**



## 2017 – Young Entrepreneurs

### Monday, July 17

- 7:00 am Leave Sioux Falls Motel  
Travel to **Countryside Travel Plaza Hwy. 18 exit 62 (30 m)**
- 7:30-7:45 am *Restroom break – Canton exit 62*
- 8:00-9:00 am Tour Sioux Falls Regional Livestock - **Todd Nordman, Lamb Buyer**  
605-201-7946
- 9:00-10:10am Travel to **Rule Sheep Company** (2 miles SE of Chatsworth IA)  
(exit 47 off I-29 Beresford/Irene then follow SD 46 to state line; IA Hwy 12  
through Hawarden, IA to Chatsworth, IA) (63 m)
- 10:10-11:45 Tour Rule Sheep Company Operation- **Chatsworth, IA**  
Intensive Farm Flock System  
Club Lamb Seedstock Producer  
**Rob 715-552-2498 and Tyson Rule 712-422-0344**  
[rob@rulesheep.com](mailto:rob@rulesheep.com) and [tyson@rulesheep.com](mailto:tyson@rulesheep.com)
- 12:00-1:00 pm *Lunch – Pizza Ranch -Hawarden, IA Call ahead so they know a group is  
coming in. 712 531-2056*
- 1:00-1:50 pm Travel to Moser Family Sheep Operation **Lester, IA**  
From Lester, IA, 0.5 mile west on Hwy 9, 1/4 mile driveway #2245  
(50 m)
- 2:00-3:30 pm Tour Moser Sheep Operation - Commercial Farm Flock System  
Farm Flock Management System  
Accelerated and Fall Lambing System  
**Wes and Ester Moser Family**  
**Wes cell 712-478-4622 Alex cell 605-254-6004**
- 3:30:00-4:30 pm Travel to Brian Winsel's, Holland, MN area
- 4:30-6:00 pm Tour Brian's operation. Typical Pipestone production with 900 ewes.  
Cell 507-220-5917
- 6:00-7:00 pm Travel back to Sioux Falls and adjourn for the evening.
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## **2017 ASI Young Entrepreneurs Tour – Day 2**

Tuesday - July 18, 2017

Host: Dr. Jeff Held, SDSU Extension Sheep Specialist

**7:00 am**      **From Sioux Falls Motel Parking Lot**

**7:45 -9:15 am**    **Tour Tom and Mariyn Schwebach Operation- Egan SD (travel 45 m)**

Lamb to Finish Farm Flock operation with 850 mature ewes. Key production traits include OPP free flock health, lamb performance and marketing, and grazing management. Facilities and handling practices for a large operation.

**9:45-10:45 am**   **SDSU Sheep Unit – Brookings SD (travel 30 m)**

Role and methods of land-grant universities to provide sound recommendations and knowledge to benefit the sheep industry. The SDSU sheep unit serves the industry as an educational resource center for producers engaged in commercial and seedstock production.

**11:45-1 pm**      **Terry Redlin Art Center (travel 45 m)**  
**Lunch**            **Watertown, SD**

A memorable stop to view the lifetime achievements of perhaps the most well-known wildlife artist in the US. A lunch will be served in an outdoor atmosphere overlooking the center grounds.

**1:15-2:30 pm**    **Van Well Sheep Farm - Stephanie, Trevor and Travis Van Well (travel 10 m)**  
**Watertown, SD**

The Van Well operation is primarily a lamb to finish operation with more than 6,000 mature ewes. An unending list of innovations set this operation apart including facilities design, layout and utilization in their lamb finishing practices, employment of Peruvian herders, flock grazing practices...many other features that serve a large scaled lamb production system. In addition their industry integration reaches far beyond a traditional farm flock system with commercial lamb feeding practices and more recently the marketing of "Van Well Family Farms" fresh lamb cuts in upscale grocery stores located in the Eastern portion of the US. They also operate weekly the Van Well Lamb Buying Station which receives all classes of sheep from at least a 3 state area including North and South Dakota, and Minnesota.

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# **Improving Lamb Marketing, Quality, and Profitability: Options for California Producers**

## **AWARDED TO:**

California Wool Growers Association

## **SCOPE:**

California

## **SUMMARY:**

This project will develop four interactive/hands-on producer and industry stakeholder workshops that focus on applying advanced and current management practices that, when combined with California's lamb production system and resources, will help mitigate the inconsistent U.S. seasonal supply (and subsequent lamb quality) issues resulting in a steadier supply of quality lambs throughout the year. Innovative practices that will be presented include aseasonal lambing systems, improving ewe productivity through genetic selection, adopting best management practices (such as electronic identification), utilizing ultrasound technology to pregnancy check ewes or employing teaser rams to increase ewe efficiency, and adopting specialized feeding programs designed to shorten or extend marketing periods based on market supply and demand conditions. If California producers are successful in implementing these practices to better manage quality lamb supplies, it will help California producer profitability and sustainability and provide other regions of the U.S. with a production model that can be adopted and adapted, depending on production and market factors, to further advance the industry's efforts in mitigating the domestic seasonal lamb supply issues.

## **STATUS:**

Completed

**FINAL REPORT:** [Final Report](#)

## **Fine Wool NSIP Data Genetic Linkage Project; Wool NSIP Index Development Project**

### **AWARDED TO:**

Fine Wool Consortium

### **SCOPE:**

Nationwide

### **SUMMARY:**

The Fine Wool Consortium has identified the need to both strengthen the NSIP database with genetic linkages among breeders and to develop an NSIP index that is more specific to the goals/needs of US wool producers, ultimately resulting in a more rapid genetic advancement for US wool breeders. The consortium looks to build upon its initial focus of increasing NSIP membership and data submission for Rambouillet, Merino, and other fine wool breeds by better utilizing the resulting dataset.

The Fine Wool NSIP Data Genetic Linkage Project is currently underway in Dillon, MT and is primarily funded and supported by the individual members of the consortium. We, as a consortium are requesting funding from the Let's Grow Committee for funding to initiate a US Wool NSIP Index Development Project, which will allow better use of the existing EBV data within Lambplan.

Fine wool breeders supply genetics to a sizable percentage of US sheep flocks. We see the results of this effort adding value to seedstock producers and their customers that take pride in producing not only clean, fine wool fiber, but also offering replacement fine-wool ewe lambs, ewes, and rams to the marketplace throughout the US. These projects will be focused on adding value to all wool producers in the US and not just the diverse group of producers in the Fine Wool Consortium.

### **STATUS:**

In Process.

### **PROGRESS REPORT:**

#### **January 2017 Update**

View the presentation provided during the 2017 ASI Convention at: [Fine Wool Consortium](#)

## **Midwest Commercial Sheep Production Workshops**

### **AWARDED TO:**

Iowa Sheep Industry Association

### **SCOPE:**

Iowa

### **SUMMARY:**

The Midwest Commercial Sheep Production Workshops addresses the profitable management of sheep production in the Upper Midwest via three main points of emphasis: accelerated lambing; determining market readiness of lambs; integrating sheep production with row crop production. The goal of these workshops is to use this as a building block to develop a core group of commercial sheep producers in the Upper Midwest to continue sustainable growth of the sheep and wool industry. We believe that the early adoption of new production systems and technologies is vital to the growth of the sheep industry as a whole, but especially the Upper Midwest. value to all wool producers in the US and not just the diverse group of producers in the Fine Wool Consortium.

### **STATUS:**

Complete.

**PROGRESS REPORT:** [Click Here](#) for Final report narrative

## **Midwest Commercial Sheep Production Workshops**

**Saturday, June 17, 2017, 8:30Am-4:30PM**

Hansen Agriculture Student Learning Center, Iowa State University, Ames Pre-registration \$35/attendee: <http://www.iowasheepandwoolfestival.com/education.html>

### **8:30-9:45: Maximizing Resource Use by Extending the Lambing Season**

Richard Ehrhardt: Michigan State University

*Extending the lambing season allows producers to utilize their facility and feed resources more efficiently. The key concepts of successful lambing out of season will be discussed.*

### **9:45-10:45 Identifying Profitable Sheep: How to Grow Your Profits and Reduce Labor**

Dan Persons: Rafter P Ranch and Shearwell

*Efficient sheep production relies on identifying the profitable sheep in your operation. How large of an impact efficient sheep can have on your operation will be discussed. How to identify and apply the information necessary to accomplish this will be addressed through the use the RFID technology and the recently scrapie program approved RFID tags will be presented and demonstrated.*

### **10:45-11:45: Evaluating Finish of Live Market Lambs**

Brad Anderson: Mountain States Lamb

Mark Henry: Centralized Ultrasound Processors Lab

Dan Morrival: Iowa State University  
*Hand's on evaluation of market lambs.*



**12:45-2:00 Evaluating Finish of Lamb Carcasses**  
Brad Anderson: Mountain States Lamb  
Dan Morrival: Iowa State University  
*Includes travel time to and from the ISU Meat Lab.*



**2:00-3:00 Logistics of Grazing Cover Crops and Crop Stover**  
Richard Ehrhardt: Michigan State University  
*Sheep production can utilize down times in row cropping to provide inexpensive feed options. Logistics of providing adequate fencing and water will be discussed in addition to how to determine where these feed options fit in the ewe production cycle.*

**3:00-4:00 Producers Share Experiences with Integrating Livestock and Crop Production**  
*A panel of producers will share and discuss how livestock production can complement row crop production. Open discussion about what has worked, what has not worked, and where areas could be further explored.*

**4:00-4:30 How the NSIP Can Benefit Sheep Flocks of Differing Sizes and Goals**

Rusty Burgett: National Sheep Improvement Program (NSIP)

*NSIP is gaining members. See how this program can assist all aspects of the sheep industry.*

## **Industry-wide Participation in NSIP: Engaging New Sectors of the U.S. Sheep Industry**

### **AWARDED TO:**

National Sheep Improvement Program (NSIP)

### **SCOPE:**

Nationwide

### **SUMMARY:**

In order to engage the commercial producers, feeders and packers in the U.S. sheep industry, NSIP will develop a new certification program for marketing genetics and demonstrating the value of quantitative genetic selection throughout the industry. Ample evidence has been presented demonstrating the value of using Estimated Breeding Values (EBVs) in genetic selection decisions. However, thus far, there has only been limited buy-in to utilizing this valuable technology from the feeding and packing sectors of the industry. This program will use that information to educate those sectors and develop a certification program for genetics that will support confidence in purchasing of feeder and market animals. the Upper Midwest. value to all wool producers in the US and not just the diverse group of producers in the Fine Wool Consortium.

### **STATUS:**

In Process.

[November SIN story "NSIP Breeds Find Common Goals"](#)

### **PROGRESS REPORT:**

## **Leading Edge Sheep Producers**

### **AWARDED TO:**

Leading Edge Sheep Producers

### **SCOPE:**

Nationwide

### **SUMMARY:**

This field study will identify which traits of terminal sires have the most impact on productivity and profitability and demonstrate the value of Estimated Breeding Values (EBVs) in the selection process. NSIP Suffolk rams selected for growth will be evaluated against rams selected for muscle, rams selected for both and industry rams without EBVs from NSIP to determine which has the largest impact on profitability in a commercial range setting, in the feedlot and at the packer. These results will be used to demonstrate the value of EBVs and encourage the use of the technology to the commercial, feeder and packer sectors of the U.S. sheep industry.

### **STATUS:**

In Process.

[November SIN story "Sheep Industry comes together in Utah"](#)

### **PROGRESS REPORT:**

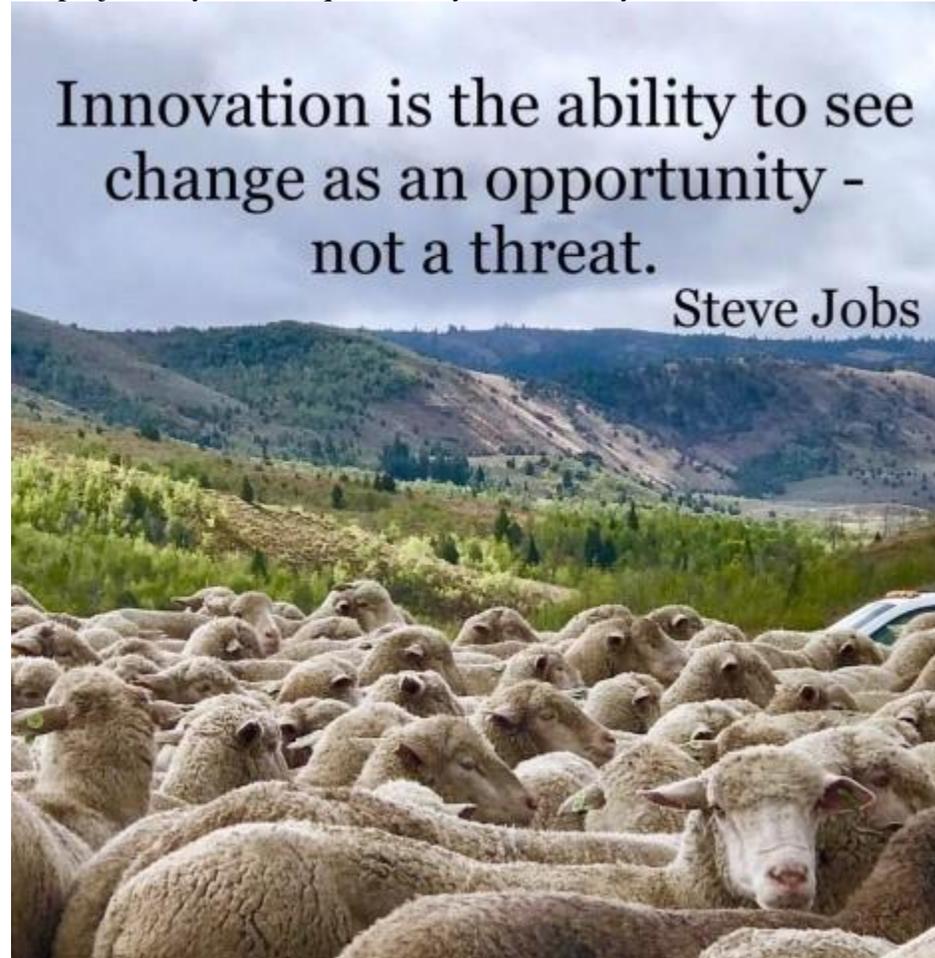
Matt Mickel's terminal sire field trial. The trial is partially intended to demonstrate the scientific findings that EBVs can be a reliable measure of growth and muscle with corresponding economic consequences in a typical range management system. The trial will include 28 Suffolk ram lambs with EBVs from NSIP plus a dozen Suffolk rams from industry.

Just as a refresher to the schedule of the trial.

Matt will mate the 28 rams with NSIP generated EBVs (14 selected for high growth and 14 selected for high ribeye muscle) and a dozen industry rams with about 1,100 ewes in early November. Ewes will be shed lambed starting in early April 2018 with tagging, birth data and tissue samples for parentage testing collected. In late September lambs will come off the mountain and be shipped directly to a feedlot where lambs will be individually weighed upon entering. In late 2018 or early 2019 lambs will be reweighed and harvested by Superior Farms. Carcass weights, electronic scanning and objective carcass measurements will be collected under the guidance of Superior Farms.

The trial is a large undertaking with Tom Boyer, Dr. Ron Lewis and the Leading Edge team doing most of the heavy lifting with funding from ASI Let's Grow. The trial represents one of the few times in US sheep industry history where all segments of the industry (seed stock, grower, feeder and packer) have come together and made substantial contributions to a project in an attempt to increase efficiencies and profitability of all.

The Leading Edge Team will provide updates throughout the next 18 months on the progress of the project. If you have questions, you can always contact Tom, Ron or anyone on the Leading





## **The prevalence and impact of mastitis in Western sheep flocks**

### **AWARDED TO:**

Montana State University – Department of Animal and Ranges Sciences

### **SCOPE:**

Nationwide

### **SUMMARY:**

In 2011 the USDA reported that mastitis was responsible for 21% of all ewes culled, the fifth most common reason for culling. Increased culling rates decrease profit in a sheep operation by spreading the fixed cost of rearing ewes to reproductive age over fewer years of productive life and through decreased income by retaining more ewe lambs as replacements rather than selling them as market lambs or breeding stock. The research proposed herein will help determine the prevalence, financial impact, and economical treatment of mastitis in Western sheep flocks.

### **STATUS:**

In Process.

### **PROGRESS REPORT:**

## **Business Tools for Success in 2017**

### **AWARDED TO:**

RightRisk, LLC

### **SCOPE:**

Nationwide

### **SUMMARY:**

This project will develop and offer two 2-week online modules in 2017, along with two RightRisk newsletter articles targeted toward helping sheep producers analyze their business with better financial tools. These modules will be constructed following the recommendations of the ASI/RightRisk Financial Needs Assessment Survey (2016) on the foundation of the 2016 module Foundations for Better Business Management. One module will focus on organizing financial information for the purpose of assessing the financial health of the business. The second module will focus on evaluating the financial health and financial performance of the business. As a result of this project, sheep producers throughout the country will be better equipped to use business tools to make decisions, communicate with lending officers, and implement good business management practices.

### **STATUS:**

Complete.

### **FINAL REPORT:**

#### **Project Report**

**Business Tools for Success in 2017 January 2017 – December 2018 RightRisk, LLC**

Report Date: December 10, 2018

#### **Summary**

This project resulted in the development of two 2-week online learning modules: (1) Managing Depreciation for Your Farm Business; and, (2) Hiring and Keeping Agricultural Workers. Two RightRisk newsletters were also dedicated toward these topics and distributed to almost 6,000 newsletter subscribers as well as participants in the Let's Grow financial education programs being offered. These modules were first offered in the fall of 2017 with live webinars starting each of them with 389 total registrations and 130 live attendees. The attendees of the live webinars combined to represent 43 states, 2 Canadian provinces, and Puerto Rico. Online course modules consisting of recorded segments of the live webinar, a practice exercise, and a quiz were offered for two weeks following each webinar and again in the fall of 2018 from August 17 to October 31. In the fall of 2018, the online course module Foundations for Better Business Management from our previous Let's Grow project was also made available. A total of 46 people participated in the online course modules with 67 total course registrations. The Managing Depreciation course module had 20 participants and the Agricultural Workers course module had 17 participants. More detailed event reports are attached for each course module along with the various promotional advertisements for the offerings and the two-project related RightRisk News

editions. As a result of this project, sheep producers received education on the important business management topics of managing depreciation and managing workers.

Report Submitted by: Jay Parsons

RightRisk, LLC

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## **Managing Depreciation for Your Farm Business Education Event Summary**

Location: Webinar & Online Course Module

Date and Time: October 11, 2017, 8:00 pm EDT

Presenter(s): Jeff Tranel

Moderator: Jay Parsons

Technical Support: John Hewlett

Registrants: 277

Attendees: 88

RightRisk, LLC presented the webinar “Managing Depreciation for Your Farm Business” on the evening of October 11, 2017, from 8:00 pm to 9:00 pm EDT.

The event was attended by 88 people representing 39 states and 1 Canadian province (Table 1). The live audience represented an estimated 42 women and 46 men. We had 277 registrations for the event from 46 states, 4 Canadian provinces, and the Virgin Islands.

A total of 24 questions were submitted electronically for the Q & A session. The average attentiveness of the audience was 71%. Attendees were asked to complete an exit survey upon leaving the webinar broadcast. Twenty-five individuals submitted responses to the survey. When asked to rate the quality of the webinar, 12 rated it as Excellent, 9 rated it as Above Average, and 4 rated it Average. On a five-point scale the average score was an outstanding 4.3. Some example comments that were received in the post webinar survey are provided below.

*“Great job and good information. I hope this webinar is posted for review at a later time.”*

*“Thanks for your time, I’ve had several business and accounting courses, and it refreshed a few points.”*

*“This webinar helped refresh my memory and taught me some basics about depreciation. I do think there could’ve been a few more examples of things sheep producers might encounter as far as depreciable or not, and how it would affect reportable income or loss. Especially if a producer is only in their first 3 years of a business operation. Great Q&A session.”*

Following the webinar, an online learning module offered the opportunity for participants to build on the concepts discussed in the webinar. All registrants for the webinar received a follow up email inviting them to participate during the two-week period following the webinar. A

second offering of the online learning module was made from August 17 to October 31, 2018. The learning module consisted of recorded segments of the live webinar, a practice exercise, and a quiz. A total of 20 people registered and accessed the learning module materials. There were five people who were brave enough to take the quiz with one of them making two attempts. The average score was 8.45 out of 10. Two people filled out the course evaluation. They reported they were satisfied with the course materials. When asked to rate their knowledge increase in the various topics they reported slightly stronger and moderately stronger knowledge, respectively. One person reported that, as a result of this module, one practice/idea they will implement in the future is “Use Section 179 as I now understand it better.” The other person said they would ask more questions regarding depreciation methods. They also left the comment, “Thank you. Just right in length and detail for an evening class webinar.”

**Table 1**

State	Registrants	Attendees		State	Registrants	Attendees		State	Registrants	Attendees
AL	5	1		ME	4	1		SD	4	1
AR	3	0		MI	7	4		TN	7	4
AZ	1	0		MN	19	5		TX	12	3
CA	11	2		MO	10	1		UT	2	0
CO	7	4		MT	4	1		VA	11	4
CT	1	1		NC	4	1		VT	1	1
DE	1	0		ND	4	2		WA	5	1
FL	2	2		NE	9	5		WI	5	3
GA	4	1		NH	2	1		WV	8	4
HI	4	1		NJ	5	2		WY	3	0
IA	10	1		NM	1	0		Virgin Islands	1	0
ID	7	3		NV	3	1		Canada		
IL	4	1		NY	13	3		New Brunswick	1	1
IN	3	2		OH	12	2		Nova Scotia	1	0
KS	4	2		OK	5	2		Ontario	2	0
KY	4	0		OR	15	4		Saskatchewan	2	0
MA	2	1		PA	11	5		Other	2	0
MD	6	3		SC	3	1		<b>Total</b>	<b>277</b>	<b>88</b>

### Citation

Tranel, J., J. Parsons and J.P. Hewlett. 2017. “Managing Depreciation for Your Farm Business.” Webinar jointly sponsored by the American Sheep Industry Let’s Grow program and RightRisk. Posted [online at: http://RightRisk.org](http://RightRisk.org). October 11, 2017. Attendance: 88.

## **Hiring and Keeping Agricultural Workers Education Event Summary**

Location: Webinar & Online Course Module  
Date and Time: November 8, 2017, 8:00 pm EST  
Presenter(s): John Hewlett  
Moderator: Jay Parsons  
Technical Support: Jeff Tranel  
Registrants: 112  
Attendees: 42

RightRisk, LLC presented the webinar “Hiring and Keeping Agricultural Workers” on the evening of November 8, 2017, from 8:00 pm to 9:00 pm EST.

The event was attended by 42 people representing 28 states, Puerto Rico and 1 Canadian province (Table 1). The live audience represented an estimated 27 women and 15 men. We had 112 registrations for the event from 38 states, 3 Canadian provinces, and Puerto Rico. A total of 9 questions were submitted electronically for the Q & A session. The average attentiveness of the audience was 71%. Attendees were asked to complete an exit survey upon leaving the webinar broadcast. Eleven individuals submitted responses to the survey. When asked to rate the quality of the webinar, 5 rated it as Excellent, 3 rated it as Above Average, and 3 rated it Average. On a five-point scale the average score was an outstanding 4.2. A couple of comments that were received in the post webinar survey are provided below.

*“Lots of material covered very quickly. Very good suggestions for improved hiring and performance criteria.”*

*“Very informative topic, well organized and easy to follow. Speaker was well prepared, and I learned a number of new things.”*

Following the webinar, an online learning module offered the opportunity for participants to build on the concepts discussed in the webinar. All registrants for the webinar received a follow up email inviting them to participate during the two-week period following the webinar. A second offering of the online learning module was made from August 17 to October 31, 2018. The learning module consisted of recorded segments of the live webinar, a practice exercise, and a quiz. A total of 17 people registered and accessed the learning module materials. Only one person was brave enough to take the quiz and they scored 6 out of 10 on their one attempt. No one completed the course evaluation at the end.

**Table 1**

State	Registrants	Attendees		State	Registrants	Attendees		State	Registrants	Attendees
AK	1	0		MN	8	2		TN	3	2
AL	1	0		MO	4	1		TX	4	4
CA	5	1		MT	3	1		UT	2	1
CO	7	3		NC	3	1		VA	2	1
DE	1	1		ND	2	0		WA	2	0
FL	2	1		NE	3	1		WI	5	2
IA	3	0		NJ	1	1		WV	2	1
ID	4	1		NV	1	1		WY	4	2
IL	3	2		NY	4	0		Puerto Rico	1	1
IN	1	1		OH	3	0		Canada		
KY	1	1		OK	2	1		BC	2	2
MA	1	0		OR	3	1		Manitoba	1	0
MD	2	1		PA	4	2		Nova Scotia	1	0
ME	2	1		SC	1	0				
MI	6	1		SD	1	0		<b>Total</b>	<b>112</b>	<b>42</b>

**Citation**

Hewlett, J.P., J. Parsons and J. Tranel. "Hiring and Keeping Agricultural Workers." Webinar jointly sponsored by the American Sheep Industry Let's Grow program and RightRisk. Posted [online at: http://RightRisk.org](http://RightRisk.org). November 8, 2017. Attendance: 42.

Managing Depreciation for Your Farm Business

Presenter: Jeff Tranel

Agricultural & Business Management Economist, Colorado State University

Host: Dr. Jay Parsons

Department of Agricultural Economics, University of Nebraska-Lincoln

**DESCRIPTION:**

Expanding your operation? Acquiring depreciable assets? The cost of a productive asset to the revenues earned from using it is an important thing to correctly account for in any well-run business. Jeff Tranel, RightRisk Education Team member and member the National Farm Income Tax Education Committee, will provide webinar participants with an overview of depreciation and the Section 179 expensing election. He will illustrate the impacts of various depreciation strategies on both annual and long-term financial management and income tax liabilities using examples pertinent to sheep operations.

**WEBINAR** - Join us for a webinar on October 11, 2017, at 8:00PEastern/7:00P Central/6:00P Mountain/5:00P Pacific

**ONLINE COMPONENT** - Following the webinar, an online component will build on the concepts discussed in the webinar, offering the chance for participants to learn and apply the skills needed for better business management.

**This module** is brought to you by the Let's Grow Committee of the American Sheep Industry Association and the RightRisk education team.

**To Register:**

Follow the link to register for the module. After registering, you will receive confirmation emails containing information about joining the webinar and how to access the online component. There is no charge for participating.

<https://attendeegotowebinar.com/register/6200497199075334915>

**Better Business Management Course Modules**

Available now through October 31, 2018.

**Module 1: Foundations for Better Business Management**

In this course module you will: (1) Gain an understanding of enterprise accounting within financial management; (2) Learn an approach for accurate enterprise financial assessment (net return or breakeven); and (3) Learn about industry estimates for sheep enterprise profitability (industry budget).

**Module 2: Managing Depreciation for Your Farm Business**

Expanding your operation? Acquiring depreciable assets? Matching the cost of a productive asset to the revenues earned from using it is an important thing to correctly account for in any well-run business. This course module provides an overview of depreciation and the Section 179 expensing election. You will learn the impacts of various depreciation strategies on both annual and long-term financial management and income tax liabilities using examples pertinent to sheep operations.

**Module 3: Hiring and Keeping Agricultural Workers**

Who manages the agricultural labor force? More people have a hand in management than most of us realize. Their roles and the names by which they are commonly known differ across the country, including property owner, general manager, manager, ranch or crew supervisor, patrón, foreman, majordomo, lead man, crew boss, chief mechanic, jefe, office administrator, the owner's spouse, and many production employees whose informal influence much outweighs their job titles. This course module provides insights into Staffing the Farm Business, Supervising Agricultural Work, and Managing Employee Performance. Materials are drawn from three chapters found in Ag Help Wanted - a 240+ page guide for owners and managers at every level of agricultural and horticultural operations.

**Register now!** <http://www.eRightRisk.com/courses/>

Log in using either an existing Moodle account or click the Create New Account button to create an account. There is no charge for using any or all of the Better Business Management course modules.

Each course consists of a series of recorded presentations, practice materials, and course evaluations. Discussion groups provide the opportunity to interact with the instructors and fellow course participants from around the country.

Sign up today at <http://www.eRightRisk.com/courses/>

John Hewlett University of Wyoming  
Jeff Tranel Colorado State University  
Jay Parsons University of Nebraska-Lincoln

This educational opportunity is brought to you by the Let's Grow Committee of the American Sheep Industry Association and the RightRisk Education Team.

Dates to Remember

NAP Coverage (Spring-planted crops) - county specific deadlines

Spring crop acreage reporting deadline - July 15

Margin Protection Program Dairy (MPP-D) - 2018 crop year July 1 - Sept. 30th, 2017

Forage Insurance - September 30th

RI-PRF Coverage November 15th, 2017, for 2018 crop year coverage

For more information see: <http://www.rma.usda.gov><http://www.fsa.usda.gov>

### **Labor Management: Issues and Strategies for Incentive Pay Programs**

Adding incentives to an employee pay structure may result in several potential benefits for a firm's labor management program, as well as the operation's overall profitability. In addition to lowering turnover among valued workers, incentive pay may also improve the goodwill and productivity among employees in the operation. Alternatively, for those who hire primarily seasonal workers, incentive pay may reduce concerns about choosing the best workers, and in the long run, may help to attract better workers without requiring high-level recruitment activities.

Incentive Pay: Who Stands to Gain?

The primary reason for employers to consider incentive pay plans is the expected increase in productivity. The concept behind offering incentives is to provide additional compensation to workers for performance "above and beyond" a set standard. This standard may relate to quantity (harvest or milking yields), quality (achieving specific grades or avoiding penalties imposed by elevators or processors); other production-related accomplishments (livestock mortality rates or irrigation efficiency); or worker activity (minimal absenteeism or no worker compensation

claims). In all cases, any incentives program should share the economic benefit for workers reaching the standard between workers, managers, and owners.

Other possible benefits from incentive pay programs relate to developing a positive workplace environment. Farm and ranch work is often considered an unskilled, underpaid profession. This is especially true for workers with no vested interest in the long-run profitability of the farm. Yet, incentive

*The concept behind offering incentives is to provide additional compensation to workers for performance “above and beyond” a set standard.*

pay programs allow for employees to “share” in not only the profits of the firm, but also in the pride of a job well done. Moreover, workers tend to feel their extra effort is noticed. An incentive-based pay program may also lead to lower employee turnover, easier recruitment of good workers, and possibly lead some workers to develop their skills in hopes of higher pay in the future.

Incentive Pay: What are the Shortcomings?

Incentive plans rely on measuring worker performance above some standard to determine total compensation. However, if standards are biased towards one type of effort (quantity vs. quality), the other attribute may suffer. This example is most clear in the case of piecework harvesting. Although a higher rate of harvesting per hour may occur, the quality of the produce harvested, and the eventual grade, may suffer.

Regardless of the specifics of the incentive-based pay program, good records must be maintained. In addition to communicating often with workers about standards and incentive levels, it will be important to give them accurate, timely feedback about performance. Workers paid on an incentive basis will only be motivated if they immediately see or know how their efforts affect their take-home pay.

It is important that the performance incentives do not have unintended effects which may increase the overall liability of the firm. For example, it will not help the farm’s bottom line if, in an effort to harvest more quickly, more workers are injured and file worker’s compensation claims.

The *RD Financial* tool was developed to assist managers evaluate “big picture” adjustments in the financial management of their entire operation. Users enter basic information about their crop and livestock enterprises to get started. *RD Financial* then presents the five basic financial statements: beginning and ending balance sheets, cash flow statement, accrual income statement, and statement of owner’s equity. In addition, it calculates sixteen financial ratios/indexes, covering the 5 areas of financial performance: liquidity, solvency, profitability, repayment capacity, and financial efficiency. In addition, the tool offers a tab showing credit scoring for operating and term debt.

Most importantly, *RDFinancial* presents a series of tools (sliders and adjusters), allowing The user to propose alternative management adjustments and instantly evaluate the results through changes in the on-screen measures of financial performance.

To access *RD Financial* see: <http://RightRisk.org> > Resources > Risk Management Tools > RDFinancial

Employers should always make sure that all labor law standards are met to avoid legal liability. For example, some incentive plans may leave room for under-minimum wage payment if inferior performance is measured. Incentive pay programs should complement the production, marketing, and financial objectives of the firm. For example, a producer who aspires to grow in size to capture more economies of scale might choose to give quantity (hours worked) incentives, whereas a value-added, small producer may be more likely to encourage quality (based on grading or standards measures) incentives.

Employers should consider recent employment history as they consider the approach and timing of implementing an incentive-based pay program. If a producer has mostly long-term employees, the program should be implemented after fair standards are developed, suggestions are solicited from long-term workers, and goals and standards are communicated to all workers. If a grower hires mostly seasonal workers, the programs should be implemented early in the season so that incentives are established before hiring any short-term workers.

Incentive pay plans have been used for almost a century throughout the world. There are numerous advantages to implementing such a plan, but it requires careful consideration and planning. Using the guidelines discussed above, feedback from workers, professional advisors, and your own intuition about what type of rewards you can offer workers, carefully consider whether it might be feasible to implement an effective performance-pay plan.

There are three rules-of-thumb for employers to remember: 1. Offer incentives that would be attractive to you as a worker, 2. Reward the best workers while encouraging average workers; and 3. Monitor and communicate with employees how the new incentive-based pay plan affects production, marketing, and their own financial success.

- Education
- Coaching
- Research

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#### Dates to Remember

- Margin Protection Program Dairy (MPP-D) – 2018 crop year July 1 – Sept. 30th, 2017
- Fall crops sales closing date – September 30th
- Forage Insurance – September 30th
- RI-PRF Coverage November 15th, 2017, for 2018 crop year coverage
- Acreage Reporting: – November 15th
- For more information see: <http://www.rma.usda.gov><http://www.fsa.usda.gov>

#### **How much risk is right for you and your operation?**

Farmers and ranchers purchase many items each year to operate their businesses and produce products for sale. The Internal Revenue Code (IRC) recognizes three major types of expenses by farmers, ranchers, and other business operators.

One type of expense pertains to items purchased and used during a single year. Examples include fertilizer, fuel, livestock feed, and rents. A second type of business expense includes items purchased for resale. Producers using the cash method of accounting will deduct the cost of such purchases in the year of sale, not in the year the items were purchased. For example, if a rancher purchases 50 feeder lambs in 2016 and sells them in 2017, the cost of the animals is deducted in 2017.

The third type of expense pertains to items with a useful life of more than one year, sometimes called capital or depreciable assets. The cost of such assets is recovered over a period of years. Depreciation is an annual allowance recognizing that such assets contribute to business earnings for more than one year and wear out or become obsolete over time. Most capital assets – such as buildings, machinery, vehicles, breeding livestock, and fences – are depreciated.

Depreciable property must be owned and used in a business or income-producing activity and have a useful life that extends substantially beyond the year the property is placed in service. Property is considered owned even if it is subject to debt. Leased property is depreciated only if the lessee retains the incidents of ownership. Land is never depreciated.

“Basis” refers to the cost of purchasing the capital asset plus any adjustments. Basis is the value used to compute depreciation. If the property is used for both business and personal or other non-business

purposes, the basis must be allocated according to use. For example, if a vehicle is used 75 percent for business and 25 percent for personal purposes, the amount to be depreciated is 75 percent of the basis.

The methods and recovery periods for determining depreciation are identified in the IRC Modified Accelerated Cost Recovery System (MACRS). Most farmers and ranchers use the General Depreciation System (GDS) unless required or electing to use the Alternative Depreciation System (ADS). Recovery periods under GDS are ten years for single purpose agricultural structures, seven years for machinery and equipment, five years for breeding livestock, and 20 years for multi-purpose farm buildings. The recovery periods under ADS are generally longer than under GDS.

Depreciation begins in the year in which the asset is ready and available for use. For example, where a rancher purchased a live-stock handling facility in December, if the facility was ready for use the cost would be depreciated beginning in that year. However, if the facility was not ready for use until January, depreciation would not begin until the following year.

Section 179 of the IRC allows qualifying capital assets to be expensed in whole or in part during the first year the asset is placed into service. The assets must be eligible property, acquired for business use, and acquired by purchase. Examples include equipment, grain bins, milk tanks, breeding livestock, and single-purpose agricultural structures.

The Multi-Temporal RiskAnalyzer (MTRA) tool offers farm and ranch managers much-needed assistance in evaluating risk management strategies that span multiple time periods. MTRA utilizes a partial budgeting framework which incorporates four basic adjustments: added returns; reduced costs; added costs; or reduced returns. From these, the net benefit of making a change may be calculated. MTRA expands the approach to evaluate the impact of risk over time. MTRA offers users a chance to allow inputs to vary in describing proposed management changes. In addition, the user may enter a variable time horizon for each input, ranging up to 20 years. Results describe possible outcomes using a cumulative distribution graph that indicates the probability of earning a net return at or below a given value on a cash basis or when incorporating the time value of money over the period of interest.

MTRA represents a better way to address the presence of uncertainty by describing results in terms of distributions, rather than using a “best guess” single estimate for uncertain numbers. In this way, the tool embraces the uncertainty involved and brings it into the decision-making process to create a more robust approach to evaluating proposed management changes. Access to MTRA is free of charge and the accompanying guide with included examples makes getting started easy.

For More Information on the Multi-Temporal Risk Analyzer tool, see <http://RightRisk.org> > Resources > Risk Management Tools.

Section 179 allowances are generally limited to \$500,000 and cannot create a business loss. A “50% Bonus Depreciation” on qualified property can generally be taken after the Section 179 limit is reached and is available for new equipment only.

Farmers and ranchers are often tempted to depreciate the cost of purchased property as fast as possible, to reduce income taxes. This strategy can lead to greater tax liabilities and financial management problems in future years. When depreciation deductions are matched to principal and

down payments of assets, the cashflow required to service the debt is minimized for that year. Conversely, aggressive use of Section 179 on purchases with small down payments and heavy financing will generally trigger higher cashflow needs in future years because principal payments are not tax deductible.

Farmers and ranchers should take a multi-year view of managing their tax liabilities. Depreciation and Section 179 deductions are useful tools for reducing profits and lowering taxes. However, if not used wisely, taxable profits may not match actual farm/ranch profit and may reduce opportunities for future investments.

Business owners should consult with their tax preparers. They should talk about not only the taxes owed in a particular year, but also how accelerating depreciation and other deductions might impact future tax liabilities.

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How much risk is right for you and your operation?

## **Wool Harvesting Professional Development and Education Outreach**

### **AWARDED TO:**

Oregon Sheep Growers Association

### **SCOPE:**

Oregon, Western Washington and Northern California

### **SUMMARY:**

A lack of trained, quality shearers is inhibiting growth of current flocks and the starting of new flocks in Oregon. Oregon Sheep Growers Association is requesting funds to purchase a shearing trailer, upgrade it and donated shearing equipment to provide a mobile shearing school for the state of Oregon, Western Washington and Northern California.

### **STATUS:**

Complete

### **FINAL REPORT:**

#### **Wool Harvesting Professional Development & Education Outreach ASI Let's Grow Grant – 2017-2018**

The Oregon Sheep Growers Association held the first Shearing School utilizing the refurbished shearing trailer made available through the Let's Grow grant program in Roseburg, OR on May 25-28, 2018. The completion of this project has taken longer than originally estimated due to the amount of work necessary to upgrade the shearing trailer. All of the renovation work was donated by the primary project coordinators: John Fine and Dan Dawson. In addition, the shearing equipment donated by Umpqua Community College required extensive work to recondition. After years of non-use, the equipment required more work than anticipated and some parts could not be made usable.

One side of the refurbished trailer is collapsible. This allows the trailer to be easily moved and will make it possible to hold shearing schools in different locations throughout the state. The mobility factor will also allow the trailer to be used for other purposes, such as educational programs, demonstrations or shearing contests.

The shearing trailer provides for six shearing stations. Five stations were fully equipped and functional for the first shearing school. Additional funding was obtained through the Oregon Sheep Commission, allowing OSGA to purchase one new machine and hand piece for the trailer.

While the availability of five stations would have supported 10 participants, the first class consisted of five attendees: Duke Christner (Roseburg), Jarrod Gayner (Roseburg), Will Singleton (Sutherlin), Jeremiah Cranley (Oakland), and Austin Van Houten (Oakland).

The small number proved advantageous in that instructors had more time to work with each of the participants. Instructors included: Katherine Ritchie, Wendy Valentine, and Dan Dawson, all professional shearers.

Instruction covered all aspects of shearing, as well as the care and handling of equipment and some wool handling information. Stephanie Furlong provided instruction in throwing and rolling of fleece. In addition, ASI Shearing Manuals were provided to each attendee.

At the completion of the program, five young men were qualified to begin shearing. The need for shearers in Oregon is reflected by the fact that John Fine received three calls in the week following the school asking for the names of the new shearers. Since the conclusion of the first school, Duke Christner (who attended to improve his existing shearing skills) continues to shear, Jeremiah Cranley has been doing some shearing with Katherine Ritchie, and Austin Van Houten has initiated his own shearing business with the help of a Young Entrepreneur grant from Douglas County Farm Bureau. (see *Capital Press* article).

Interest in the shearing school program was verified by the fact a waiting list of at least six participants has been compiled since the first school was held and the article about the school was published in the *Capital Press*. It has yet to be determined if the next school can be arranged for the fall of 2018, but a full class is anticipated. While not yet scheduled, another school is planned for the Roseburg area next spring.

The shearing trailer is totally functional at this time and could be used for other schools or other educational purposes. As may be seen in the photos, the open area adjoining the shearing stations will allow for future wool handling or classing schools to be conducted.

While it has been 12 years or more since the last certified shearing school was held at Umpqua Community College in Roseburg, there has been no way to arrange for a shearing trailer to hold a school in Oregon. The shearing program conducted by the Washington State Sheep Producers Association in Moses Lake, WA has been the nearest location available to anyone interested in pursuing training. However, the WSSP program continues to be full from year to year making it difficult for out-of-state persons to attend. Previously, OSGA explored the possibility of borrowing the WSSP shearing trailer to host an Oregon school. Due to the expenses associated with moving the trailer, specifically the size and weight-mile taxes, this option never came to fruition.

The support of the Let's Grow program has enabled OSGA to initiate a long overdue program that will support Oregon producers by training more shearers and ultimately helping to increase the value of the wool crop. The logistics of arranging for a school in a location with an adequate number of sheep is no longer an obstacle and OSGA looks forward to hosting schools in various parts of the state.

OSGA appreciates the opportunity made possible by the Let's Grow grant. The mobile shearing trailer will assist producers in Oregon, Washington and Northern California by increasing the number of well-qualified sheep shearers.







## **Let's Grow the Sheep Industry in the South Central United States**

### **AWARDED TO:**

Sheep and Goat Producers of Arkansas

### **SCOPE:**

South Central United States

### **SUMMARY:**

The goal of this program is to further increase and improve the sheep industry in the South Central United States. This will be achieved by providing an educational forum for producers, focusing on how they can successfully raise and market their sheep. The mission of this educational program is to support, promote and ensure that the U.S. sheep industry has a future through the development of innovations, profit and growth, which will further enhance lamb production.

### **STATUS:**

Complete.

### **PROGRESS REPORT:**

We had 97 sheep producers and interested people from nine different states in attendance for our two-day sheep conference.

As of today, Chris has six to eight new farmers interested in getting into the sheep and lamb business. These new farmers are interested in growing lambs for the summer lamb markets. Some are interested in just lambing and selling their lambs at the 70 to 80-pound weight, either to market or to a feedlot. But most of the new producers will be interested in lambing and feeding those lambs out to between 130 and 140 pounds for the finest lamb market, to be sold June through August.

Most of these farmers have old chicken houses and a number of acres — and they know how to work with livestock. The big question is if the packing plants will be willing to pay a price to justify having out of season lamb ready for market in the summer months of June, July and August. At this time of the year, lambs are short in number for processing.

If the processing companies are willing to enter into a supply agreement contract with a guaranteed bottom floor price for lamb to be delivered to Denver, Colorado, then this looks like it could be an operation that can help grow the sheep industry in the future.



*Welcome to the:*

***18<sup>th</sup> Annual Meeting of the  
South Central Katahdin Sheep Association***

**Agenda**

**Friday June 9: Come View the Junior Market Lambs For Sale**

5:00 p.m. Viewing of the (hair lamb) for sale Saturday June 10, at 9:00 a.m.  
and the

**Katahdin Sheep Breeding Stock for sale at private treaty**

6:00 p.m. Lamb burger super and speakers: **Alan Culham**, Coordinator of  
the Let's Grow Sheep Program of the American Sheep Industry

7:00 p.m. **Ms. Lesa Eidman**, Superior Farms Director of Producer Resources and  
Sustainability **Conference adjointed**

**Saturday June 10:**

**Junior Show Lamb Private Treaty Sale and Sheep Conference**

8:00 a.m. Registration Coffee, Do-nuts and viewing of the all sale animals

**Information call: Chris Sweat 479-970-6905**

9:00 a.m. All Junior market show lamb selling will be hair sheep lambs.  
**Lambs sold in this sale will be eligible to show in the  
carcass show in October, 2017 at Sheep & Goat Buying Station  
in Hope, Arkansas. Three (3) places paid.**

**Sheep Conference and Education Seminar**

10:00 a.m. Speaker: **Rick Stott**, President and CEO of Superior Farms  
Davis, California and Denver, Colorado

11:00 a.m. Speaker: **Rusty Burgett**, National Sheep Improvement Program  
(Sheep Genetics)

12:00 noon **Lamb for lunch:**

Speaker: **Lynn Fahrmeier**, President Katahdin Hair Sheep, International

2:00 p.m. **Conference adjourned:**

2:15 p.m. **18<sup>th</sup> Annual meeting of the South Central Katahdin Sheep Associates**

## **Sheep and Goat Expo**

### **AWARDED TO:**

Texas Sheep and Goat Expo Committee - Texas A&M Agrilife Extension Service

### **SCOPE:**

Texas

### **SUMMARY:**

The Sheep and Goat Expo is a unique event that focuses on the educational needs of sheep and goat producers. The first expo was conducted in 2015 and has been very successful the past two years in educating sheep producers on management strategies and new technology that address productivity and profitability. To build on the success of this venture, funding from 'Let's Grow' will be used to bring in presentations from across the US to offer new ideas and techniques that can be used for program resources and facility cost. Program resources will include speakers to address targeted management strategies along with new technologies. Educational publications and materials will also be needed to support presentations. Presentations on 'out of season lambing', use of quantitative genetics, wool marketing initiatives, and integrated management systems aimed at maximizing lamb production will encourage and motivate Texas wool sheep producers to adopt practices that will improve productivity, profitability, and increase breeding sheep inventory in the short term and into the future.

### **STATUS:**

Completed

### **FINAL REPORT: [Final Report](#)**

TROT: Ram Sale and Industry Tour

Background: TROT (Texas Ranchers of Tomorrow) is a committee within Texas Sheep and Goat Raisers Association. This group meets 2 to 4 times annually at ranch gatherings hosted by members of the committee. Performance oriented genetic selection is lacking in Texas, especially sheep with EBVs produced by NSIP. This group put in a grant to tour ram sales that have a larger presence of performance testing.

Participants: Four TROT members participated in the ram sale tour; David Fisher, Jake Thorne, Kraig Chandler, and Reid Redden. David Fisher owns and operates a commercial sheep, goat and cattle ranch in Sonora Texas. Jake Thorne is the farms manager for Texas A&M AgriLife Research in San Angelo. He manages 4 ranches for Texas A&M AgriLife in San Angelo, Sonora, Menard, and Ozona. Kraig Chandler works for Texas A&M AgriLife Research as a research assistant and owns/operates a commercial sheep and goat operation. Reid Redden is the sheep and goat specialist for Texas A&M AgriLife Extension and owns/operates his own sheep flock.

Tour: Members flew into Rapid City and drove into Wyoming to meet with Regan Smith, a seedstock Hampshire breeder and forest service sheep grazing permittee holder. This provided

TROT member a look into both a seedstock breeder who collects performance data but does not use NSIP to generate EBVs. In addition, this provided TROT members a look into what are the opportunities and challenges that public lands sheep operations face. Then the group drove to Miles City, Montana and participated in the MSU Extension and Montana Wool Growers Symposium, Ewe Sale, and Ram Sale. The group was impressed with organization of the sale, the sheep, and EBVs available. In addition, the group noted that there was a growing group of next generation seedstock breeders who consigned rams to the sale. It was also clear to everyone that buyers put a premium on rams with impressive EBV profiles, reinforcing the notion that including NSIP information truly does add value from the buyer's and seller's perspective. A few rams were purchased with delivery pending. After the conclusion of the sale, members traveled to Newell, South Dakota. The group was impressed by a few sheep based on phenotype; however, found it challenging to locate sheep that fit their goals because consistent data was not presented in the ram sale catalog. Nonetheless, rams with EBVs did appear to sell at a premium. At the conclusion of the ram sale, the group made a quick trip up the Hettinger North Dakota and toured the NDSU Hettinger Research and Extension Center.

Summary: Members of the TROT group found this trip to be very worthwhile. We anticipate that this trip will lead to the development of a performance-oriented ram sale in Texas, or at least to build upon a recent performance ram sale that was held in conjunction with the Texas Sheep and Goat Expo. The group also made several personal contacts with breeders who utilize NSIP information in their own flocks, which will be beneficial to the members of TROT in the future as a source of both advice and genetics.



## **Texas Ranchers of Tomorrow - Industry Tour and Exposure to EBV-based Ram Sales**

### **AWARDED TO:**

Texas Sheep and Goat Raisers Association - TROT Committee

### **SCOPE:**

Texas

### **SUMMARY:**

This project is to expose a group of next generation Texas sheep ranchers to: 1) ASI leadership, major lamb slaughter facilities, and Colorado lamb feeding, and 2) wool breeding sheep sales that focus on EBVs. Texas is a major sheep producing state in the nation; however, Texas has only a couple of commercial lamb feeders, no major lamb slaughter facilities, and very few seedstock sheep breeders using NSIP to market wool sheep with EBVs. Texas Sheep and Goat Raisers Association has a new committee called Texas Ranchers of Tomorrow that is for commercial sheep and goat ranchers under 40 to network and learn from one another. We feel strongly that this group would benefit greatly with exposure to where and how traditional lambs are fed and harvested. Plus, this group of young ranchers will benefit by seeing how EBVs have had an impact on the Western sheep industry and how to bring this technology and genetic gains to Texas.

### **STATUS:**

Completed