

SYSTEMS APPROACH TO BEEF CATTLE SUSTAINABILITY



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A SYSTEMS APPROACH...

- A mindset or way of thinking
- Seeing the whole...and how the parts are interconnected

Why a Systems Approach?

- To **UNDERSTAND**...
- To find **LEVERAGE**...
- To overcome the **CHALLENGE**



FOCUSING QUESTION

Why is “Sustainable” beef production so challenging?

First, what does “Sustainable” mean?

- To many of us it means something like:
 - ✓ passing on the ranch/beef enterprise to sustain the next generation while maintaining or improving the natural resources for generations to come...
- GRSB:
 - ✓ “...a world in which all aspects of the beef value chain are environmentally sound, socially responsible and economically viable.”



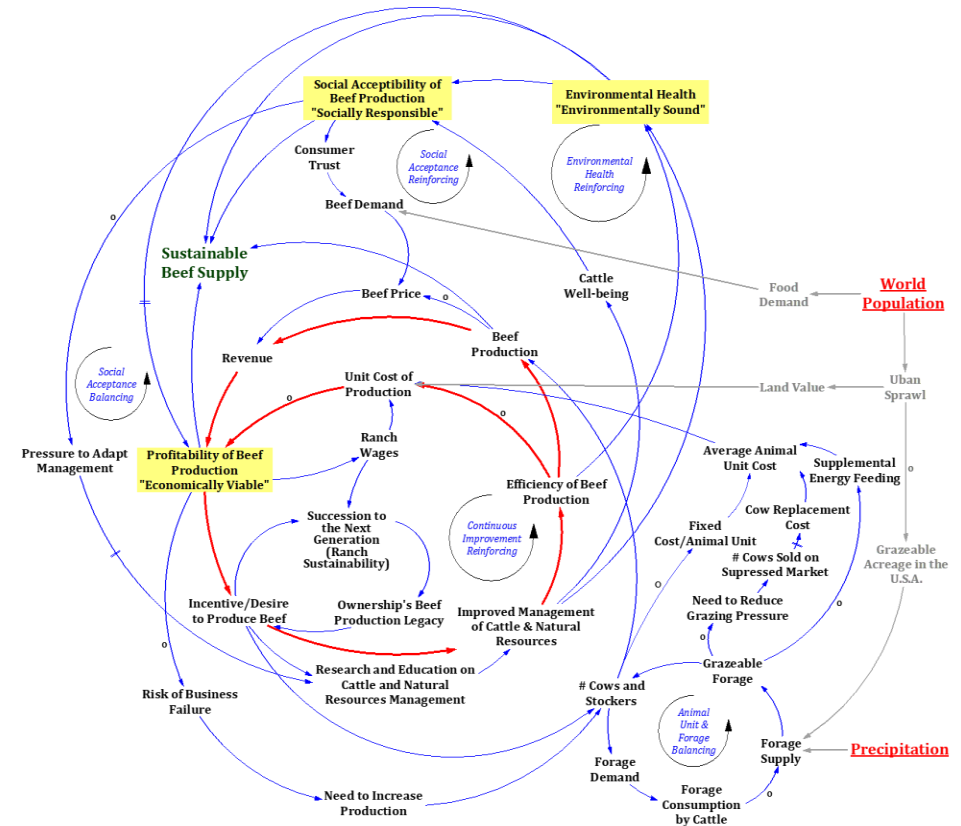
IMPORTANT TRENDS ASSOCIATED WITH BEEF PRODUCTION SUSTAINABILITY

Global/National Impact

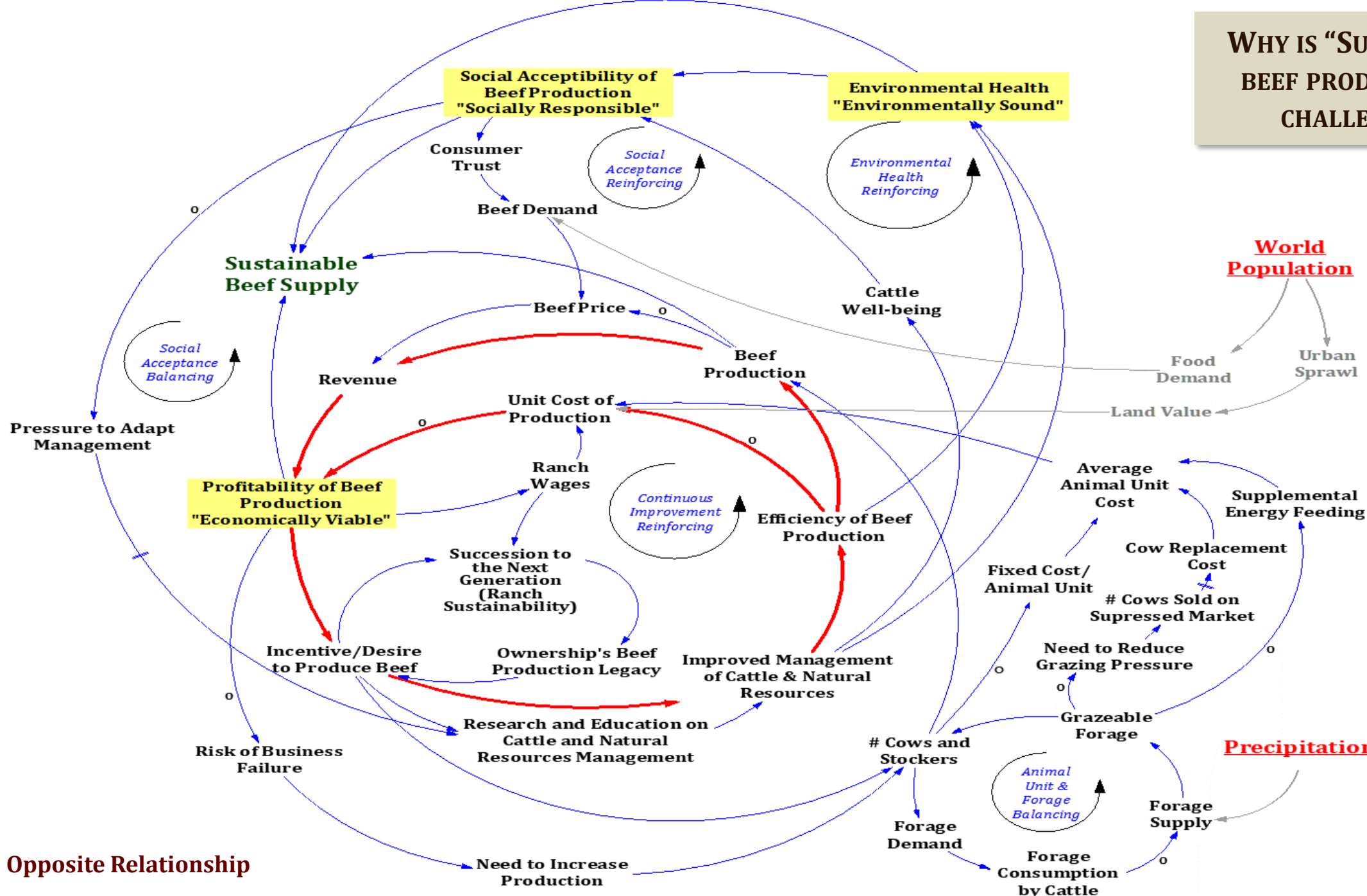
- ↑ World population/food demand
- ↑ World population/urban sprawl/land value
- ↑ Consumer interest in food production practices
- ↑ Regulations and complexity of business (6.7%/yr)
- ↑ Speed of technology development

Enterprise/Ranch-Level Impact

- ↑ Climate variation/drought
- ↑ Commodity/input prices (>beef price)
- ↑ Land values
- ↓ Willing and skilled ranch labor



WHY IS "SUSTAINABLE" BEEF PRODUCTION SO CHALLENGING?



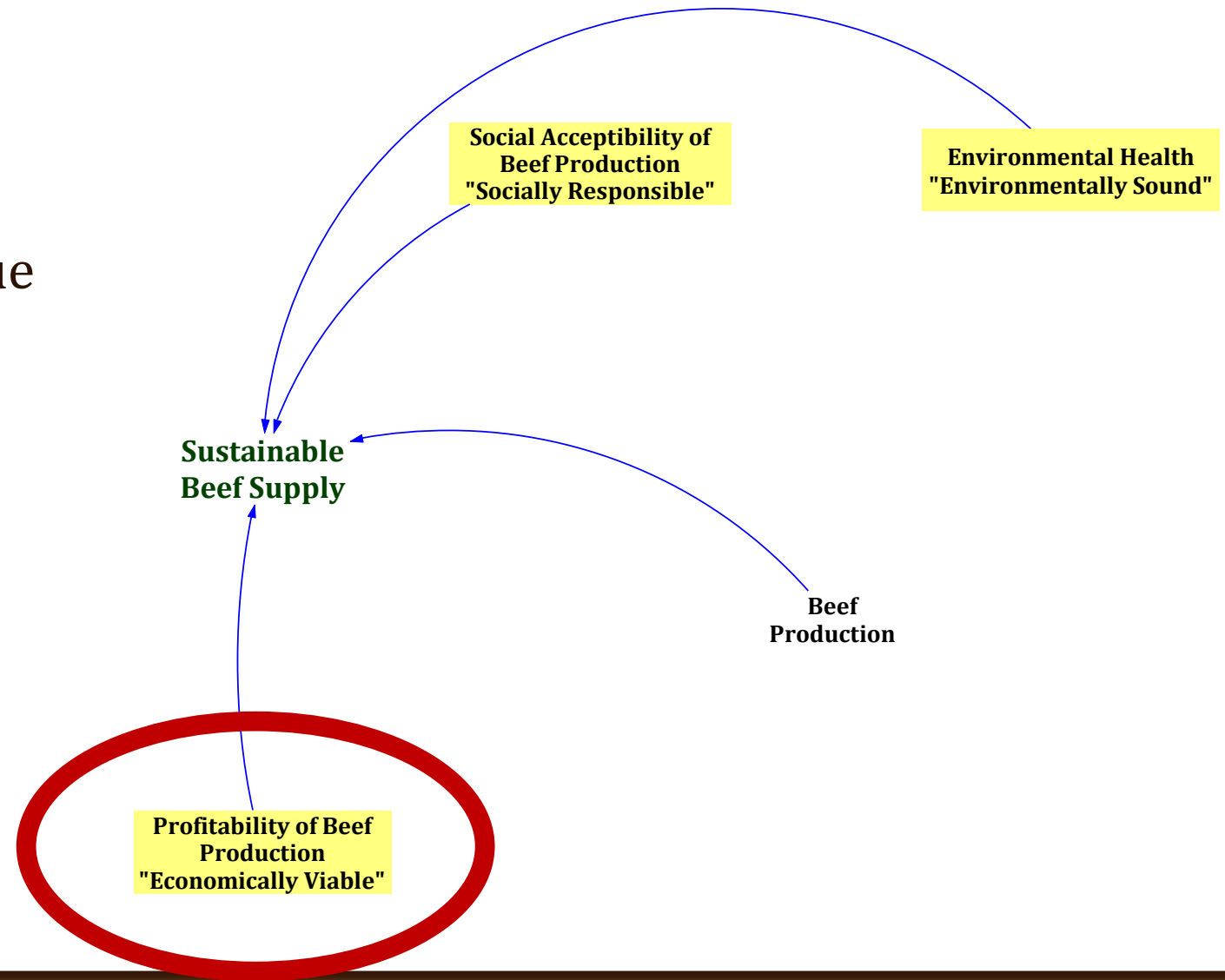
o = Opposite Relationship



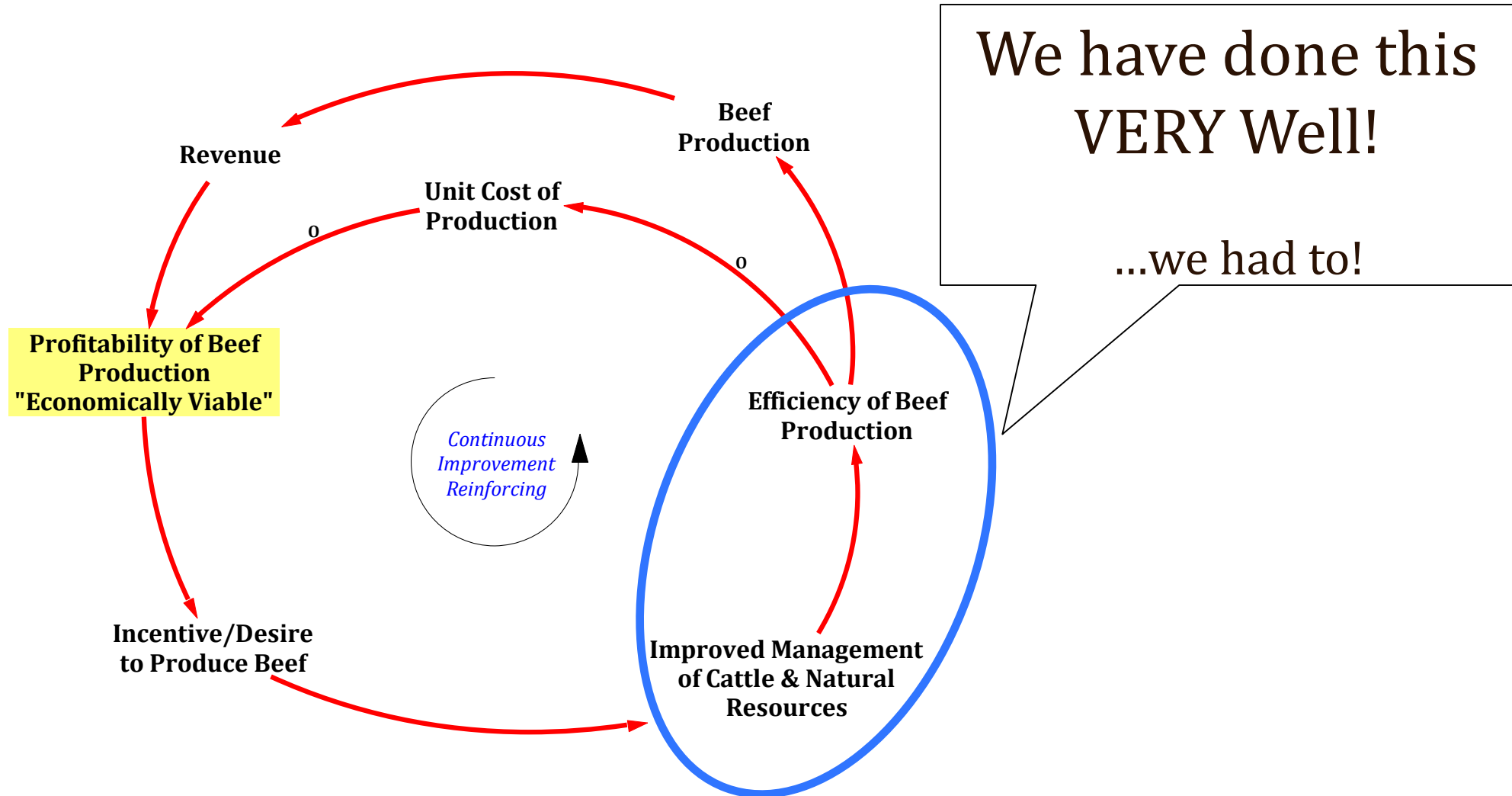
TRIPLE BOTTOM LINE = SUSTAINABLE BEEF

GRSB:

...envision a world in which all aspects of the beef value chain are environmentally sound, socially responsible and economically viable.



ECONOMICALLY VIABLE/CONTINUOUS IMPROVEMENT

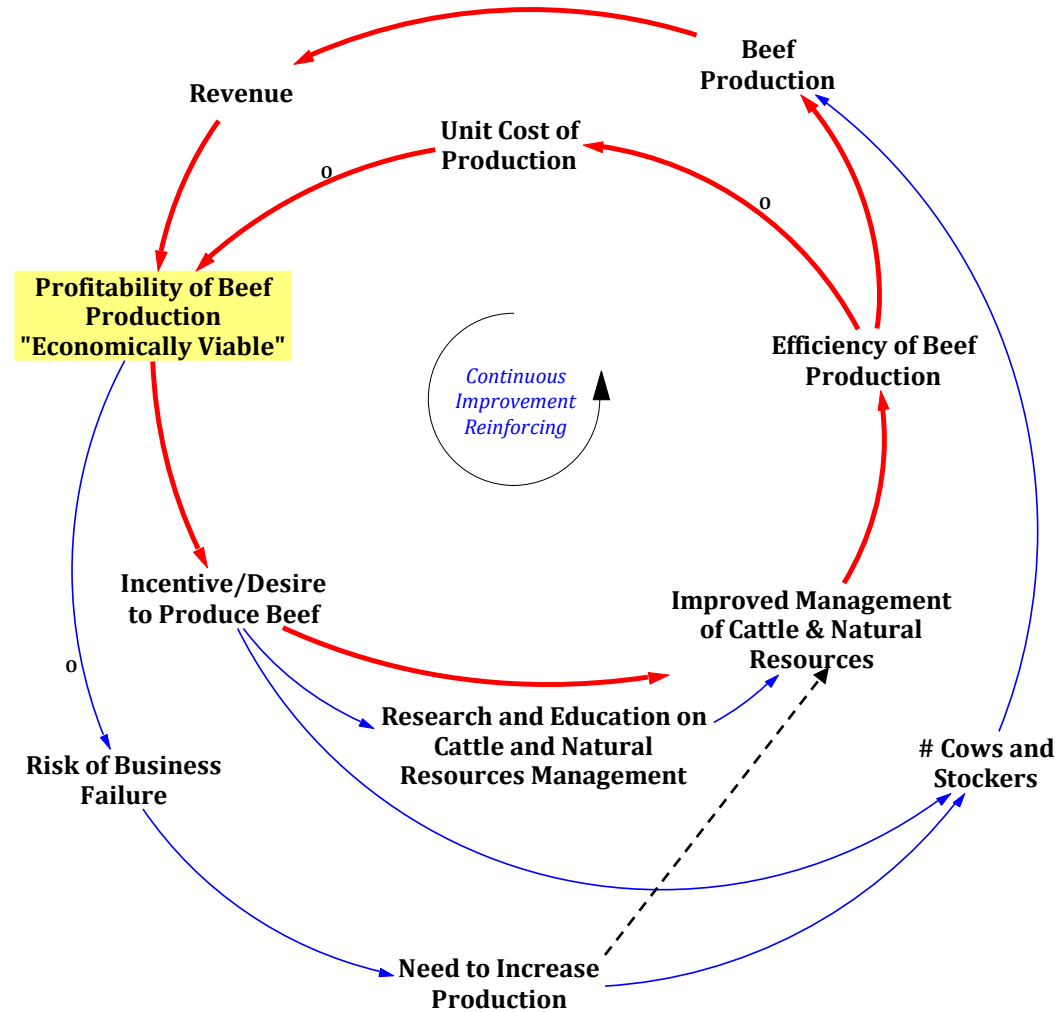


ECONOMICALLY VIABLE/CONTINUOUS IMPROVEMENT

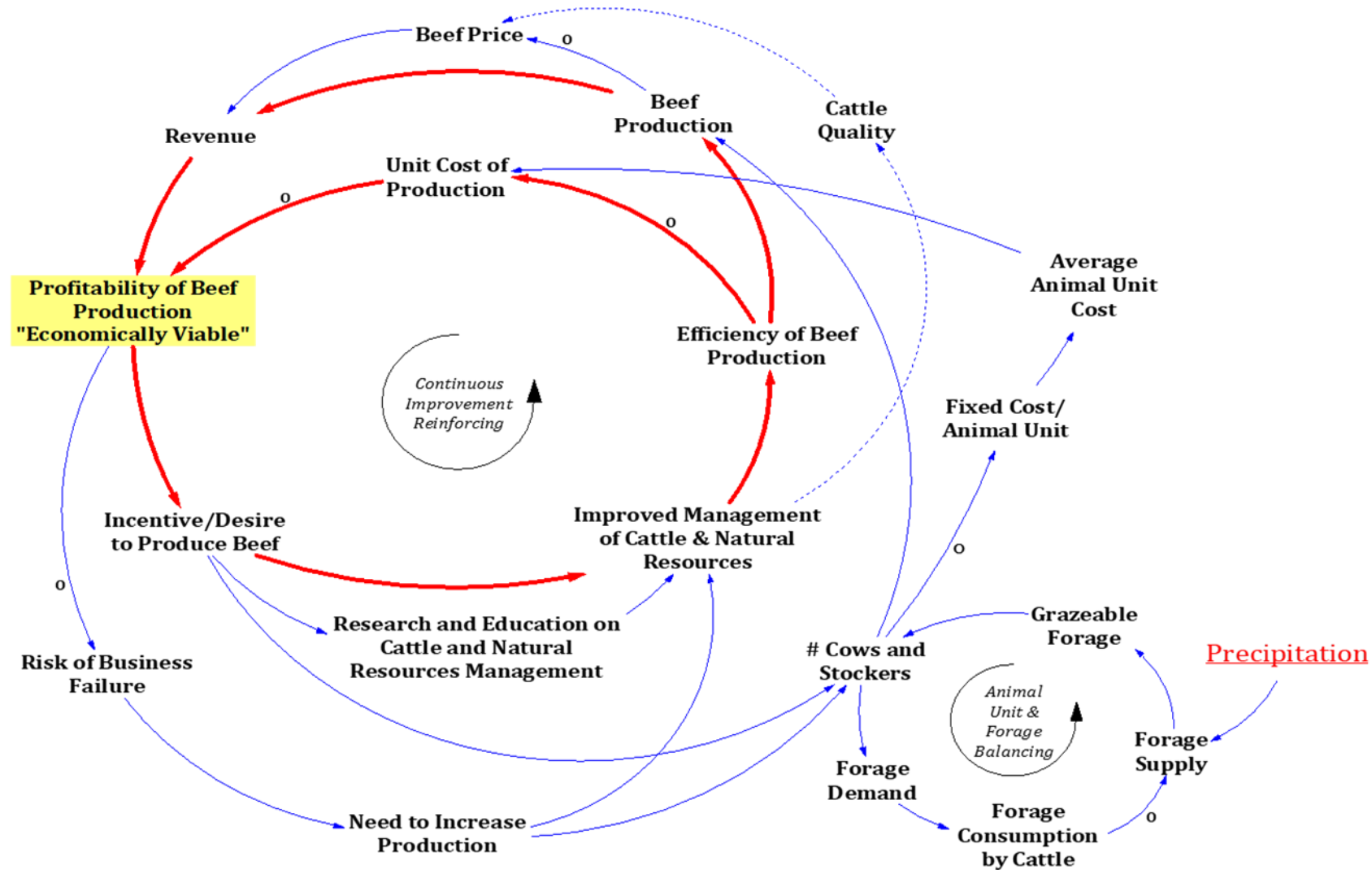
What's driving efforts to increase profit?

➤ Opportunity?

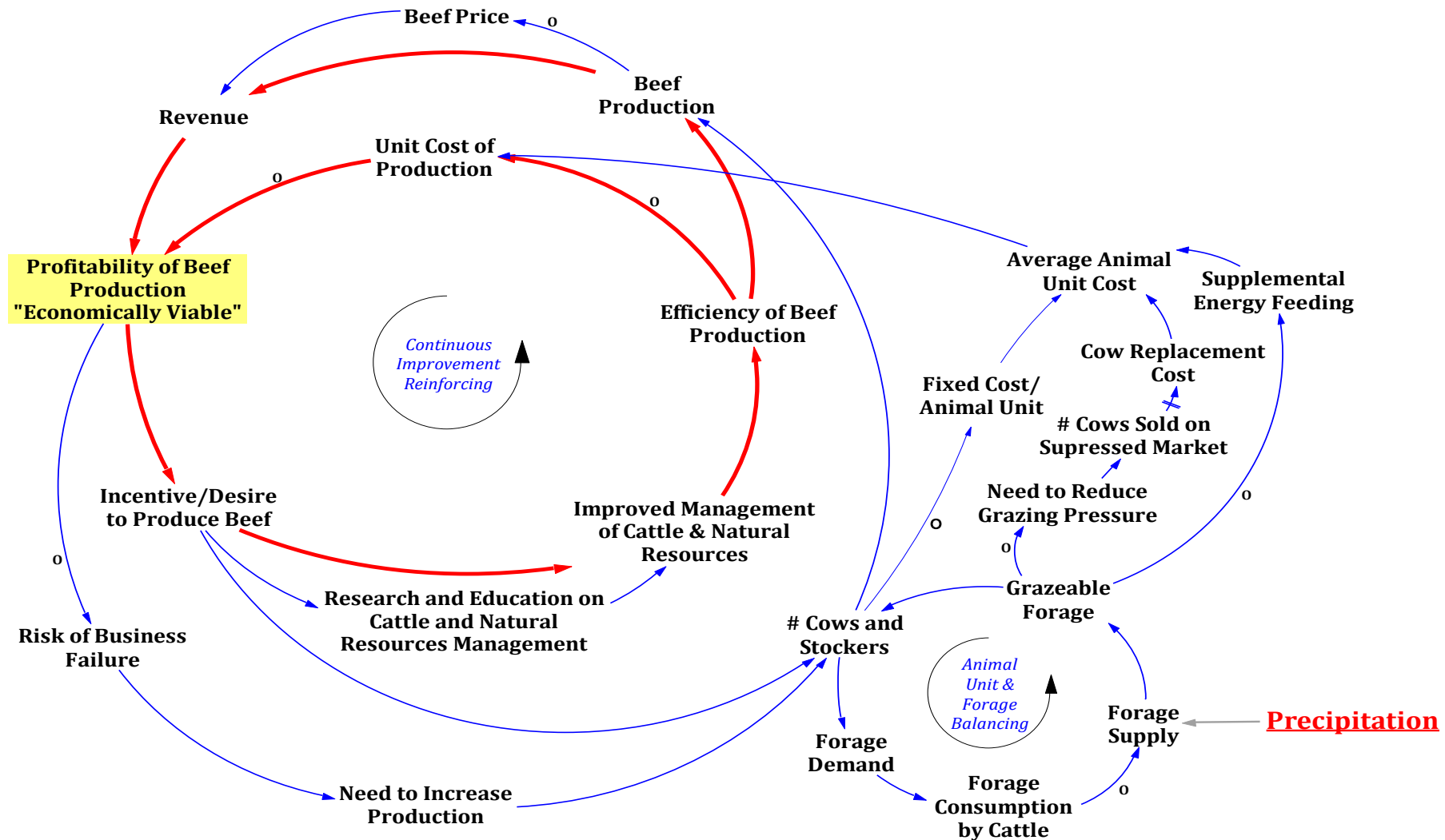
➤ Risk of Failure?



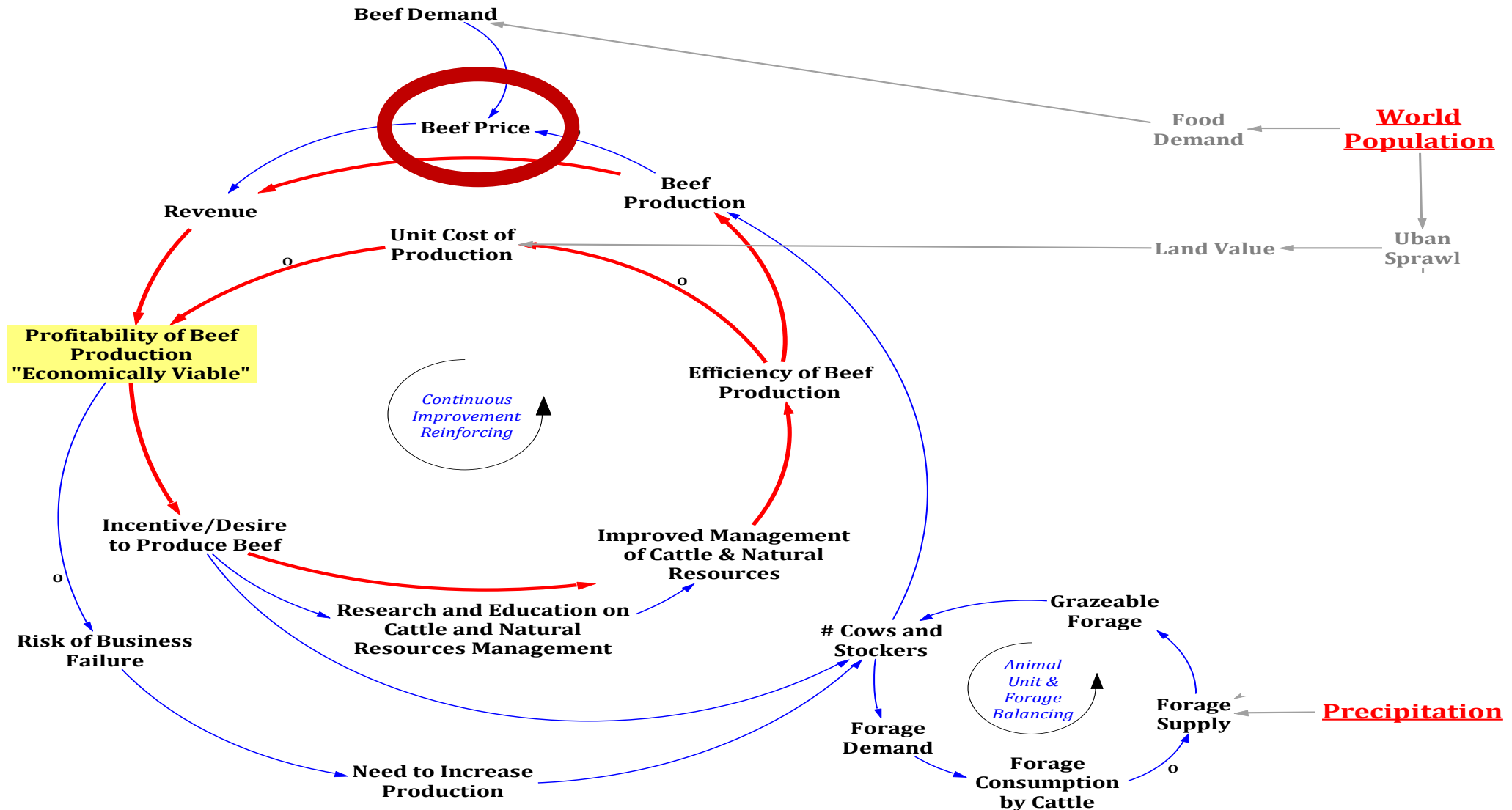
EXTERNAL INFLUENCE ON PROFITABILITY



LIMITATIONS OF FORAGE/PRECIPITATION



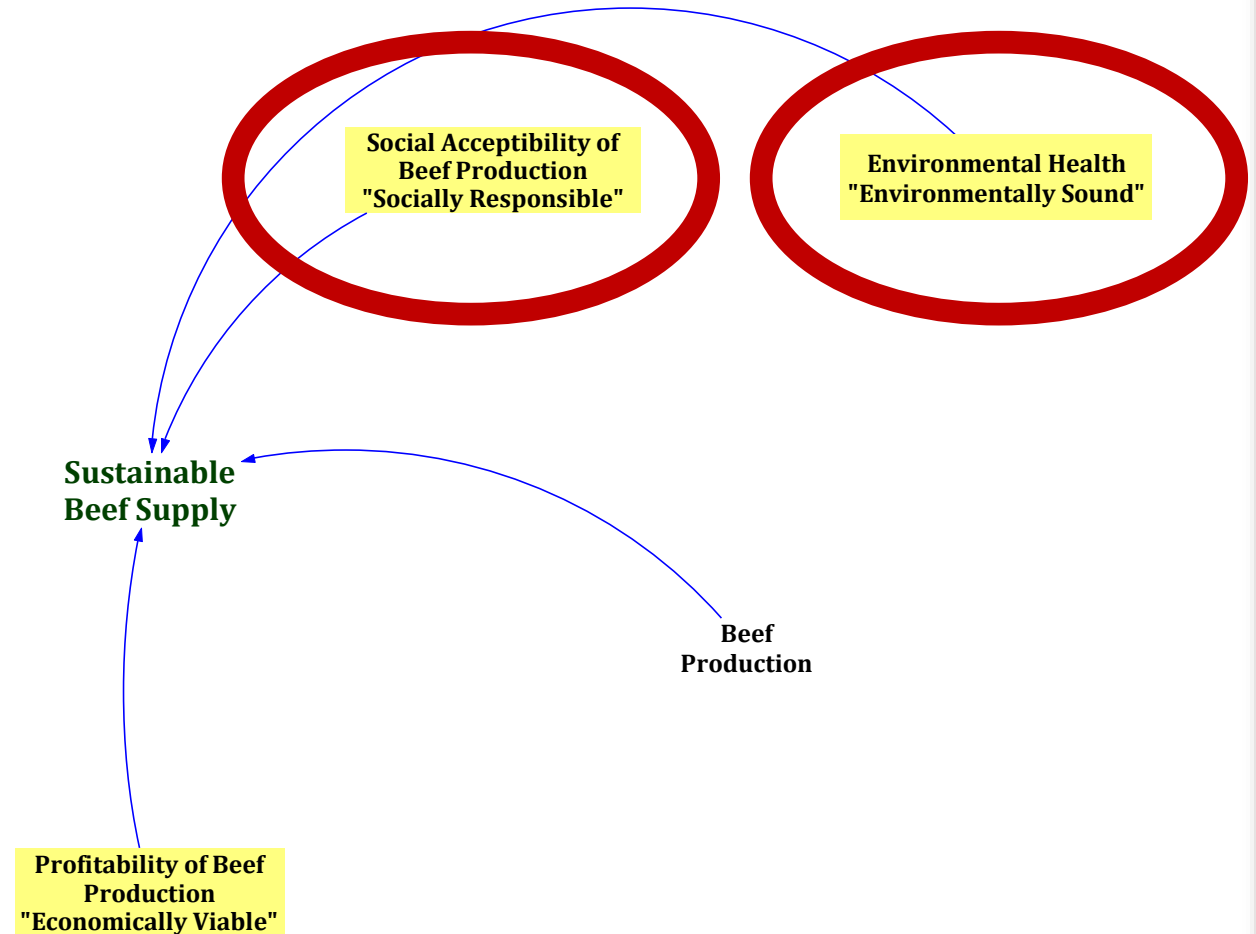
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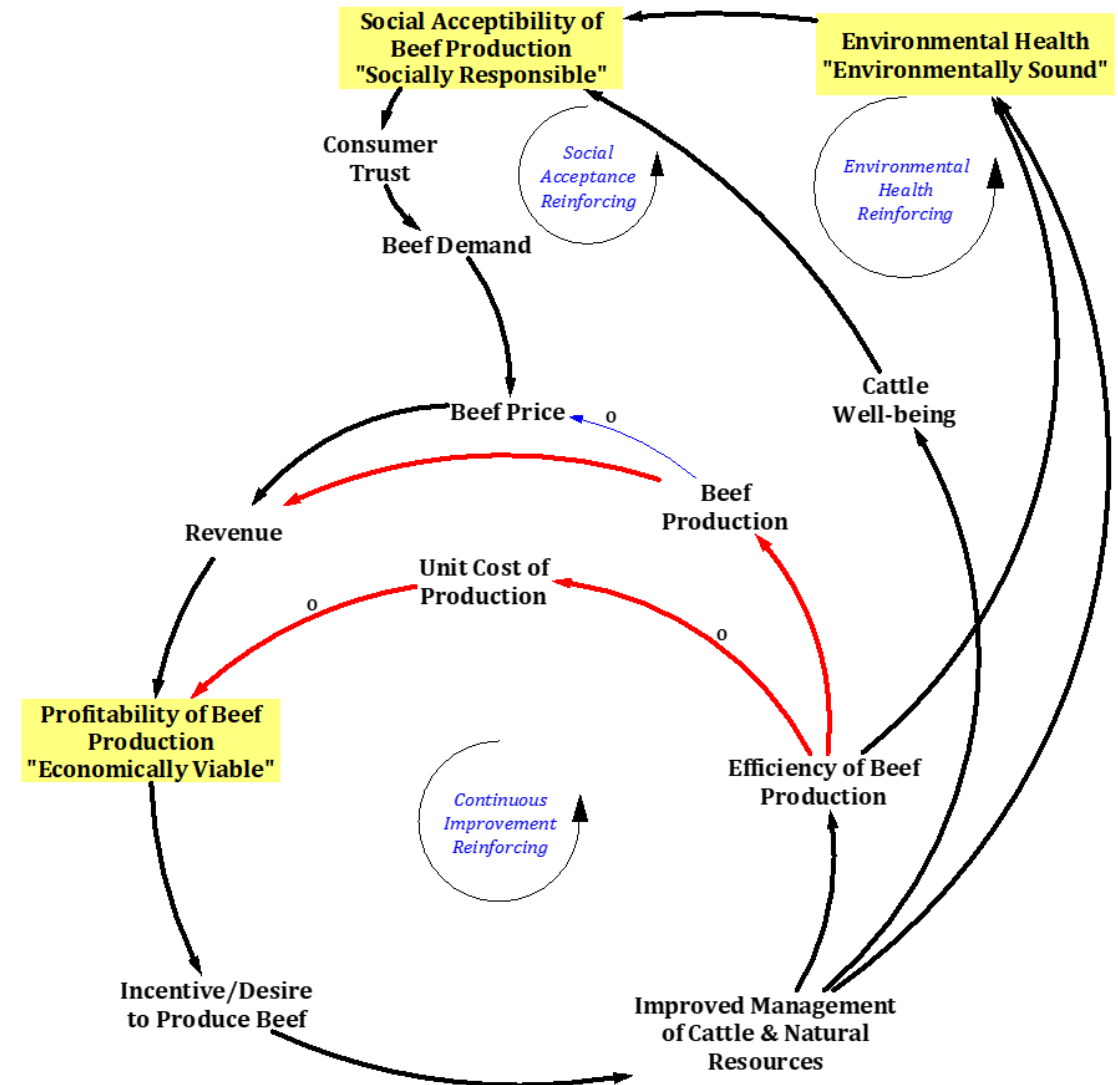


↑ CONSUMER INTEREST IN FOOD PRODUCTION PRACTICES

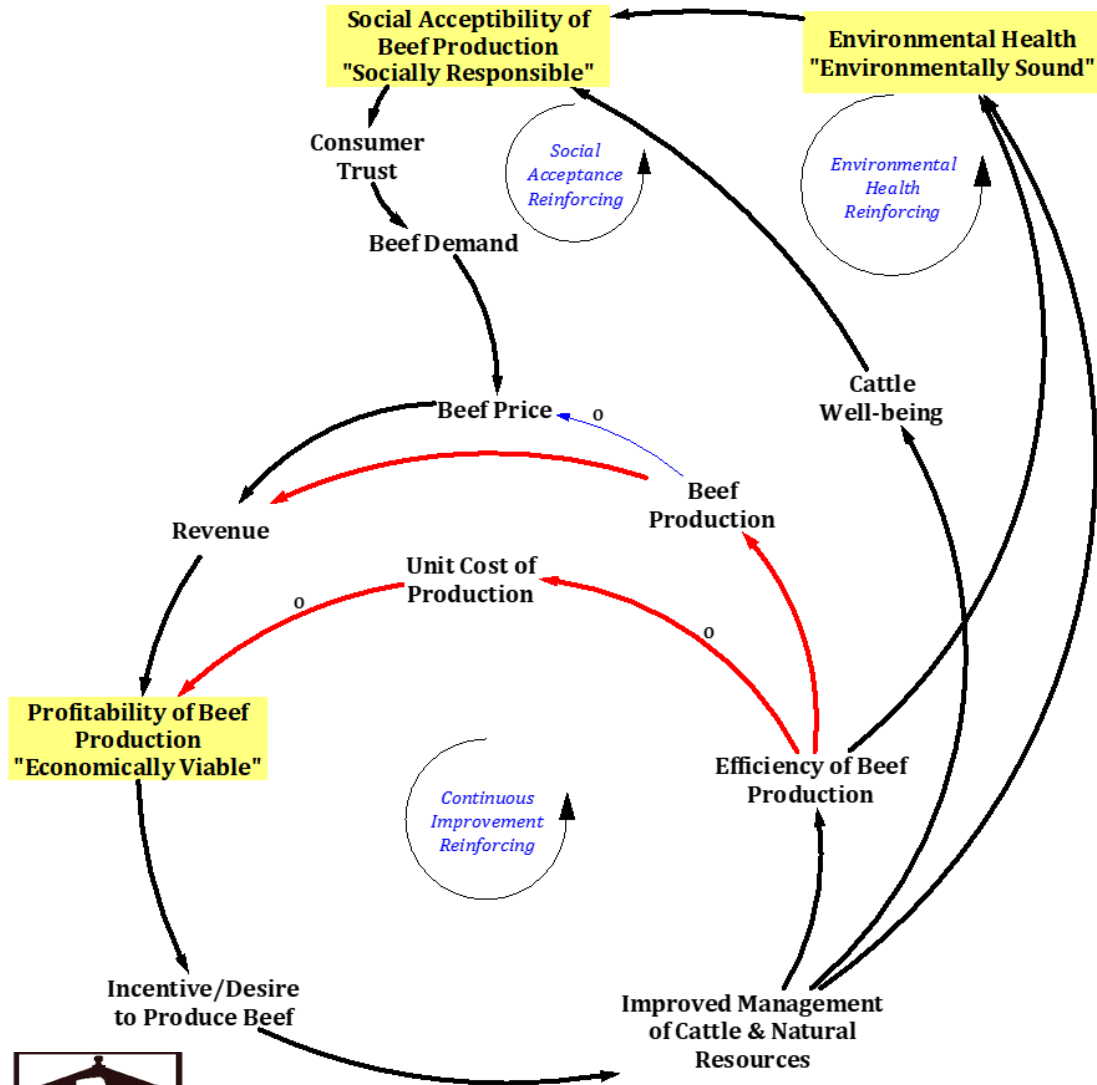
Social Acceptability Cycle

Environmentally Sound Cycle

- Virtuous?
or
- Vicious?



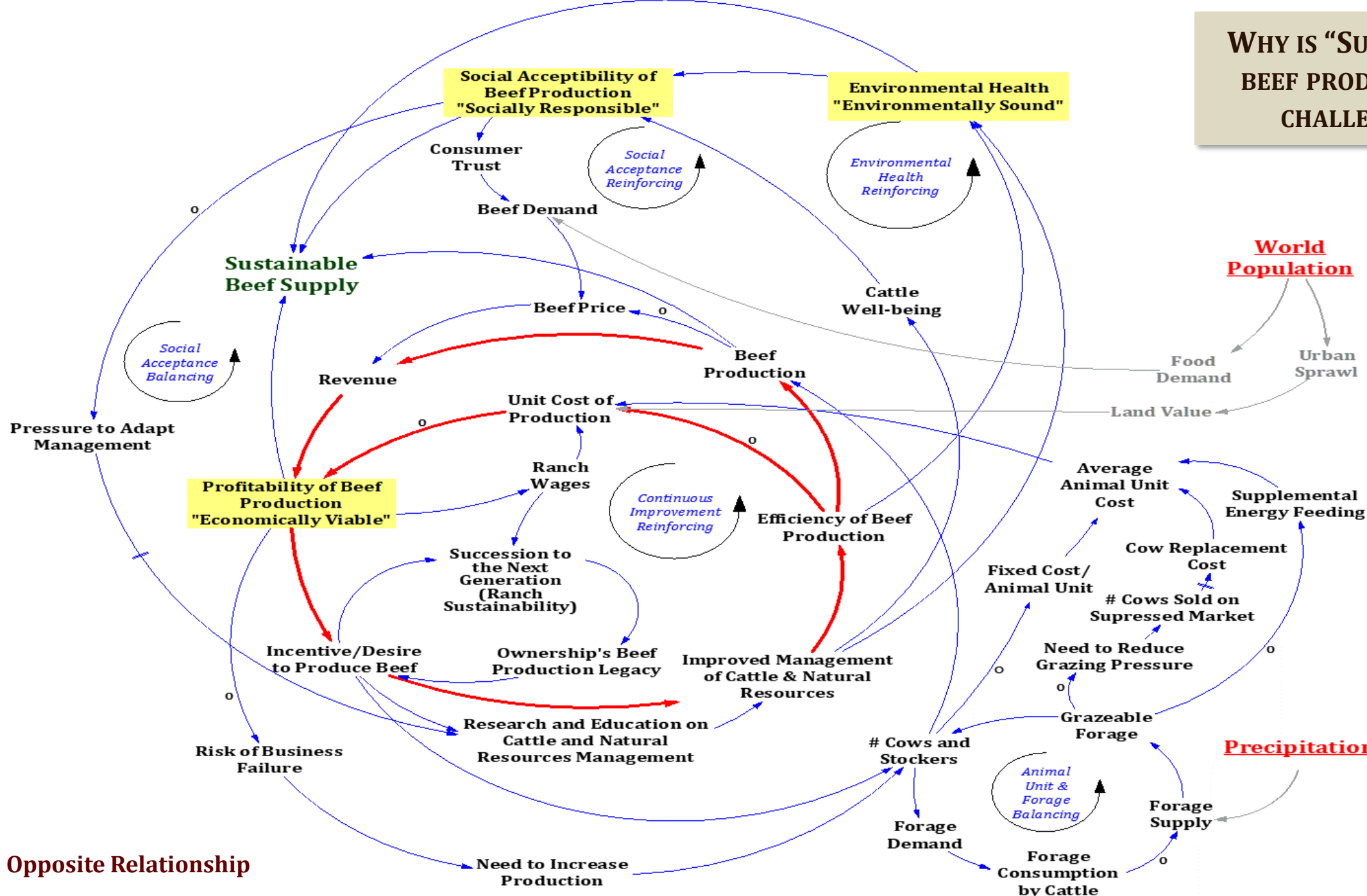
THE CYCLE MUST BE VIRTUOUS!



USRSB Mission
To advance, support and communicate **continuous improvement** of sustainability across the U.S. beef value chain.



WHY IS "SUSTAINABLE" BEEF PRODUCTION SO CHALLENGING?



0 = Opposite Relationship



IMPORTANT TRENDS ASSOCIATED WITH BEEF PRODUCTION SUSTAINABILITY

Global/National Impact

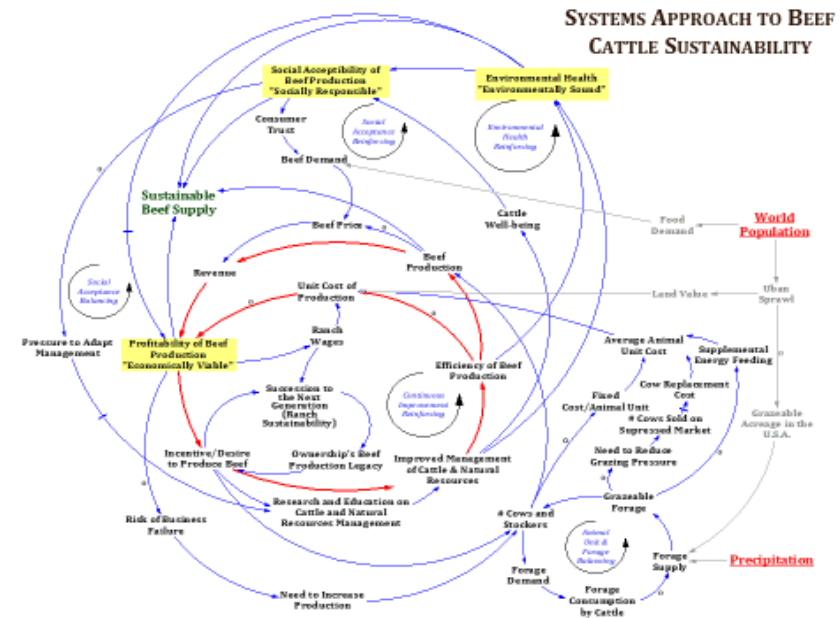
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We are Counting on this to ↑ PRICE

Enterprise/Ranch-Level Impact

- ↑ Climate variation/drought
- ↑ Commodity/input prices
- ↑ Land values
- ↓ Willing and skilled ranch labor

Costs!



WHERE DO WE FIND LEVERAGE TO OVERCOME THE CHALLENGES

As an industry?

- Consumer Trust
- Improved Cattle Management

At the Beef Enterprise Level?

- Improved Cattle Management

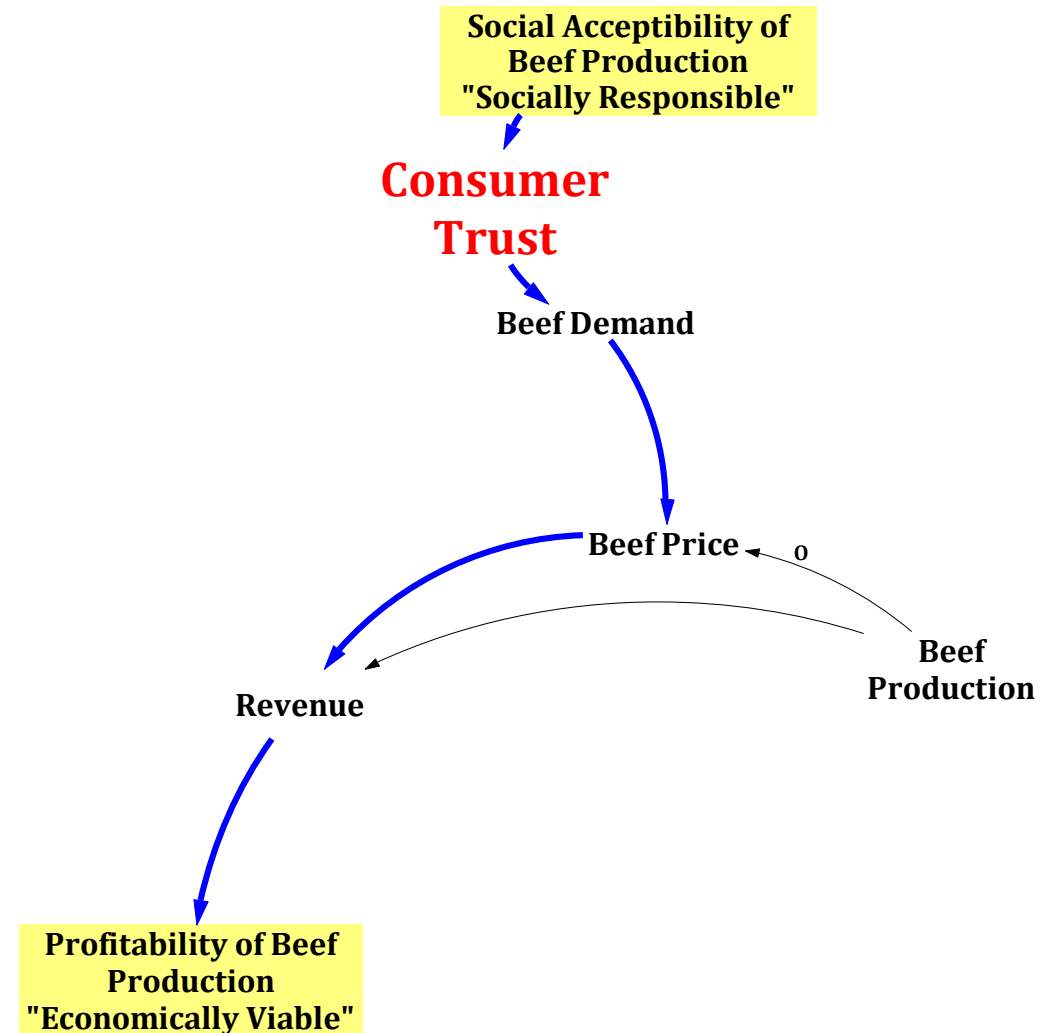


WHY "CONSUMER TRUST"

(SOCIALLY ACCEPTABLE!)

Revenue:

- Weaning Rate
- Weaning Weight
- Calf Value
 - ✓ Genetics
 - ✓ Marketing
 - ✓ Markets
 - Domestic ~ 85%
 - Export ~ 15%



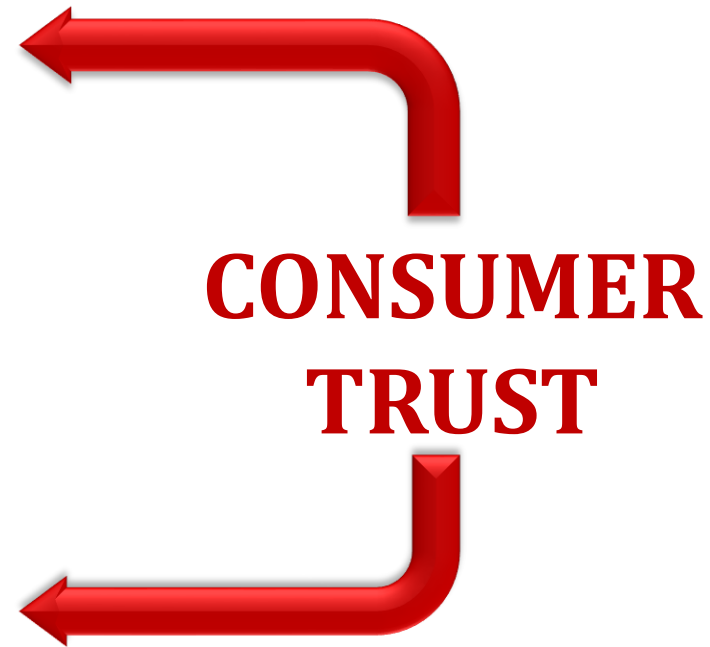
GREATEST OPPORTUNITIES

#1. Export Market Expansion

- Product Quality
- Policy and Trade Negotiations
 - ✓ Identification System
 - ✓ Process/Practice Verification

#2. Domestic Market

- Product Quality
- Product Consistency
- **Social Acceptance**
 - ✓ Handling Practices
 - ✓ Cattle Well-Being
 - ✓ Environmental Impact



CONSUMER TRUST...

**Our license to manage land, livestock, water, wildlife,
and to sell food products will be valid only if we
maintain consumer and social TRUST**

TRUST



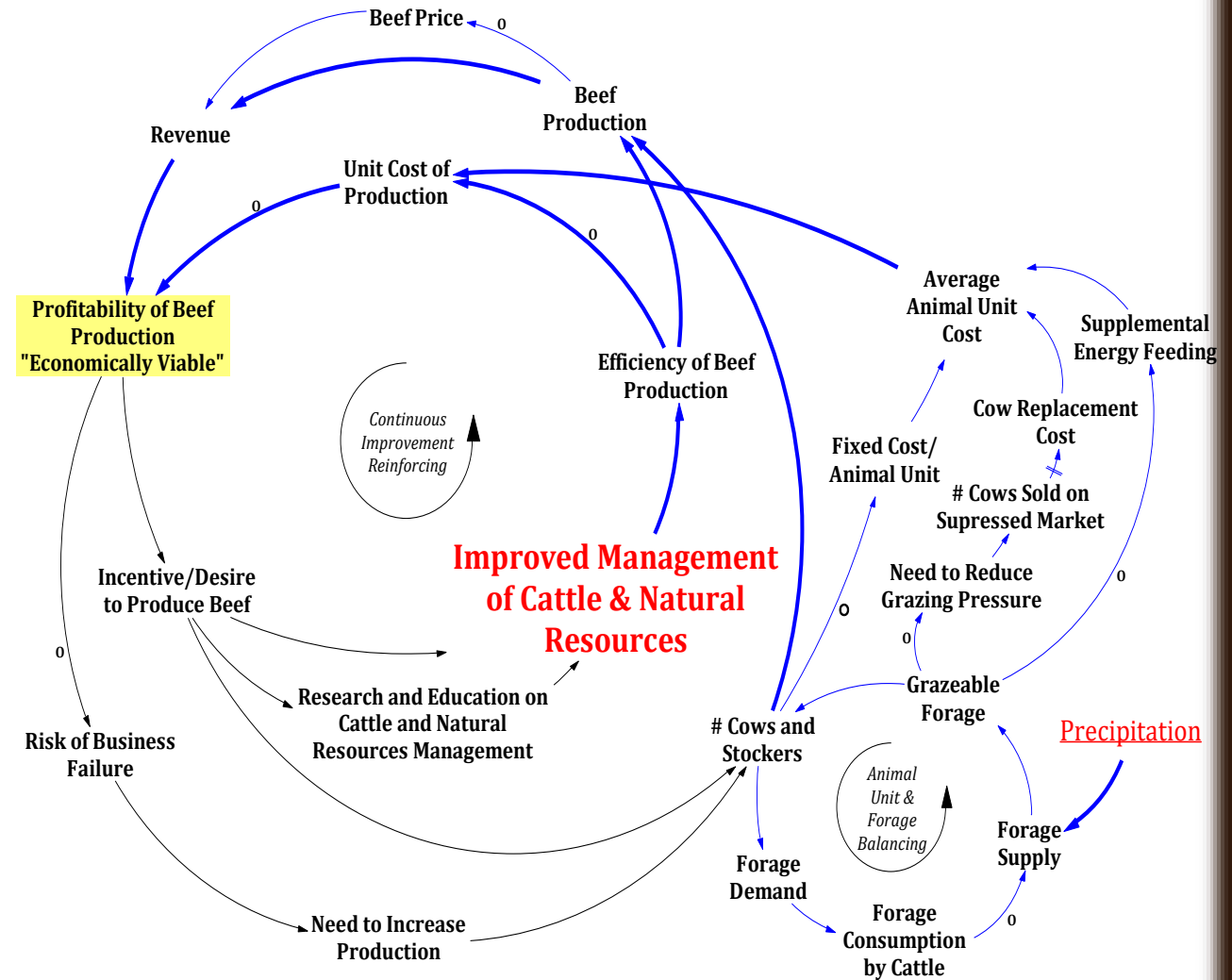
WHY "IMPROVED CATTLE MANAGEMENT"

As an Industry

- Some producers are not responsive to financial signals for improvement
 - ✓ Are the production methods and beef products from those operations continuously improving?

At the Beef Enterprise Level

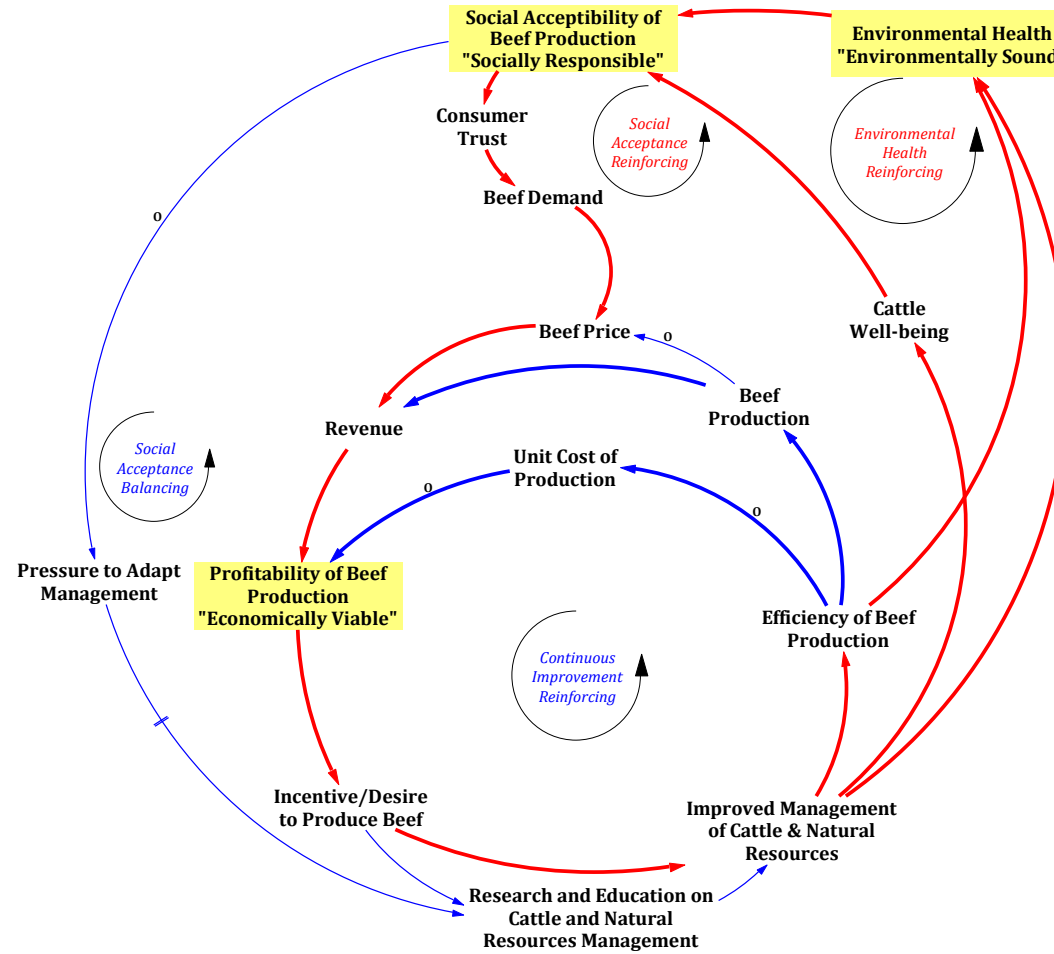
- Sustained profitability results from implementing efficient production systems designed to withstand the impacts of drought and other external challenges
 - ✓ We must build more resilient production systems



ENVIRONMENTALLY SOUND & SOCIALLY RESPONSIBLE & ECONOMICALLY VIABLE

These **virtuous cycles** must be virtuous...not vicious!

The system must be economically viable!



FINAL COMMENT

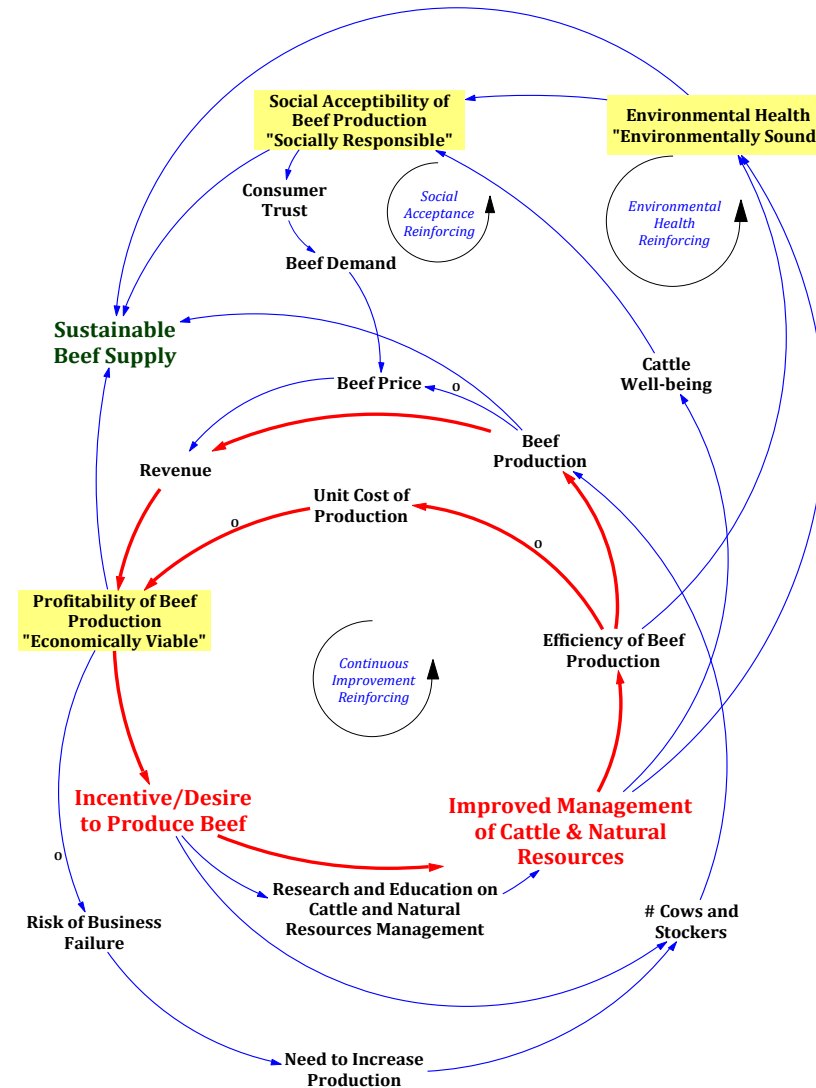
Continuous Improvement

CANNOT and WILL NOT occur unless there is a

Incentive/Desire to Produce Beef

OTHERWISE

All Virtuous Cycles become
VICIOUS!



THANK YOU!



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