

Where To Turn



Land & Livestock

Advisory Service Can Provide Keys to Success

by Andra Campbell

Land & Livestock Advisory Service was formed in 1999 in order to provide a working relationship with individual ranching operations. The founders hope to be the catalyst in making important decisions for the 21st century - their goal is to offer quality information and advice and to assist ranch owners and managers with defining their goals and objectives, developing profit maximizing strategies, and assisting in the implementation of those strategies.

Have you been a cattle rancher for years and are hoping your children will be interested in taking over the ranch when you retire? Or, are you new to the industry and a little confused as to what all the buzzwords mean? Grids? EPDs? How about alliances? Or, low stress livestock handling procedures? Well, if any of this caught your attention, read on.

Pete Talbott and John Nalivka formed Land and Livestock Advisory Service (LLAS) in 1999 in order to assist ranchers in making decisions, whether they were new to the industry or had owned their ranch for the last 100 years, or were anywhere in between. "We see ourselves as individuals who can be the catalyst to help ranchers with their operation," says Pete Talbott. "We don't think we are more intelligent or knowledgeable than the rancher, just that we can come in and look at the operation in a non-traditional light."

The services provided by LLAS range from analyzing production to the marketing of cattle and their bottom line is to increase the rancher's profits. "Our goal is to offer quality information and advice to assist ranch owners and managers in defining their goals and objectives, developing their strategies to increase net returns, and most importantly, we

will be there to actively assist the rancher in the implementation of those strategies," says John Nalivka.

How can these two individuals promise you so much? For the most part it's because they have been there and done that. Talbott, who lives in Lakeview, Oregon, brings to LLAS 30 years of professional livestock and ranch management skills. The operations he has managed range from 1,500 to 15,000 cows and graze on both private and federal land holdings and permits. He has also managed feedlot and seedstock operations and consulted under Talbott Agricultural Resource Management.

Talbott earned a BS degree in Animal Science from Cal Poly, at San Luis Obispo, California. He continued his education with training in Holistic Resource Management, Farm Credit Loan Analysis, Texas A & M Executive Ag Producers Program and American Management Association. In the 70's Talbott worked as foreman for Lucky Livestock Company, a commercial cow/calf operation. They had ranches in Sierra Valley, California, and stretched into Nevada. In 1977 Nalivka went to work for Lucky Livestock as a cowboy and took Talbott's position when he left. Talbott went on to manage the MC Ranch in eastern Oregon for several years, then moved on to the 26 Ranch in northern Nevada.

Nalivka, who now lives in Vale, Oregon, earned a BS degree in Animal Science from the University of Idaho and an MS degree in Agricultural and Resource Economics from the University of Nevada at Reno. He is also the president and owner of Sterling Marketing, Inc., an agricultural economic and advisory firm he became involved with in 1991 and purchased in 1994. With Sterling Marketing, Inc., Nalivka supplies economic information and consulting services to global and U.S. clients throughout the

livestock and meat industries, including producers, packers, processors, banks, and restaurants.

In addition, Nalivka has nearly 20 years of experience applying techniques to analyze the economics of individual livestock operations. He has completed economic studies for clients involved in public lands litigation, estate planning, business evaluation, and strategic planning.

Nalivka and Talbott joined back up again in the early 80s but went their separate ways until six years ago when they started talking about the formation of LLAS. "We thought we could take a combination of both of our areas of expertise and apply them towards helping ranching operations," says Nalivka. "We have a lot of experience to bring to the rancher in order for them to take an objective look at their ranching operation. But, more importantly, we can assist them with the changes that will lead to greater returns." Both Talbott and Nalivka like to refer to themselves as an advisory service, not as consultants. "There seems to be a negative connotation associated with consultants," says Talbott, "as if they were used car salesmen."

Hoping to get away from the negativity of consultants, the partners decided on Land and Livestock Advisory Service and opened up shop. First, LLAS likes to go in and assess the economics of the operation and second, implement grazing, breeding, marketing, and other management strategies that will build on the wealth of the land, livestock, wildlife, and people.

They try and get a handle on the financial end of the ranch by looking at break-even production costs and business planning with budgeting and cash flow. "We'll start out with the last tax and income statements, and inventories on both feed and livestock. Then we'll look at the beginning and ending of each year after that, as far back as we need to go," says Talbott. "We try and get ranchers to switch over from a cash basis to an accrual method of accounting for internal purposes," says Talbott. "Cash basis is fine for tax purposes, but not for making management decisions."

Then they move on to look at the natural resources the ranch provides. Is the ranch grazing to increase production and maintain sustainability of the land? Are they making the right breed and herd selections adapted to the ranches resources? Are they using low stress livestock handling procedures and low cost and effective animal health programs? Are they working

in facilitation with government agencies? How are they marketing their cattle?

"Grids and alliances all sound like a good deal," says Talbott, "but there are a lot of cattle out there who don't fit into these programs, and a lot of ranchers who don't understand how they work."

"I have sat at a table with packers talking about alliances and value based marketing and assured them that most producers don't understand the things they are talking about like they think they do," says Nalivka. "This is one of the ways we can help. We are involved in all aspects of the industry and can explain different aspects."

"There's a lot of outside money buying into the beef industry," says Talbott, "there's a need for this type of service, both from a land management standpoint and an understanding of the financial aspect of the industry." Instead of these people dumping money, getting frustrated and getting out, LLAS can provide a service that will keep these people in the industry. "It's important that they understand where they are headed," says Talbott, "and that we keep some longevity in our industry." Likewise, it's just as important for a ranch that has been in one family for generations. "If ranchers want to keep a ranch in the family, it's important that they too look at how they can improve their resources." Talbott says you have to do something that will put you over the top, "it doesn't have to be something that's unproved, but something that's done different."

"We are realistic about our expectations and what can be achieved," says Nalivka. "A ranch works because of the historic use of the resources. One family, one ownership for 100 years means something. "But, if the

economic environment changes, ranchers have to adapt to those changes too.

Regulatory changes in a federal grazing permit might be one of these changes and certainly historic use of the natural resources and the economic balance of the ranch is important. On the other hand, what happens if a neighboring ranch sells for millions of dollars because the new owners want a picturesque setting and a fishing pond? How does this affect the ranch economics? "We are not rocket-scientists," says Nalivka, "But we can be the catalyst to the necessary adjustment, whether it be production or marketing."

One of the most important aspects of LLAS is the follow-up service Talbott and Nalivka provide to their customers. An example is a rancher going to a cattlemen's meeting and hearing of some new technique. He thinks it's a good idea and that maybe he should try it out. Well, he gets home and he has to fix fence because the cows got out while he was gone. And he has to fix the tractor because it won't start, and there's a storm heading his way and he has to get his hay put up and on and on. You know the story. Suddenly, implementing that new procedure is not as high on his list of priorities as it was the day before when he left the meeting. Nothing happens, nothing changes.

"With LLAS we stay involved over the long-haul," says Talbott. "If somebody doesn't keep in touch, people tend to lose sight of what was to be accomplished and concentrate on the day to day activities." After spending the time getting the economic and natural resources to where the rancher is satisfied, LLAS is still not satisfied. "We will call and ask how they are doing, what happened this week?" says Talbott. "We are always available to



Cow/calf pairs shading up away from the stream on a Nevada ranch.



Proper grazing allows for woody species to return to stream banks.

answer questions and hope to keep in contact for a number of years.”

Talbott says that if you assume whatever decision you make is wrong, than you’ll constantly go back and review it. Are you using the best grazing practices? Where are you going to spend you’re next dollar- better bull? More cows? New fences? “Some things stand out when we go to a ranch,” says Talbott. “Perhaps there are too many open cows, or health problems. But usually it’s a matter of asking hundreds of questions.” Part of the answer depends on the natural resources and part on the economics.

If you think this all sounds interesting, but think that you are doing all right on your own, don’t sweat it. But, if you think that a fresh perspective, a new idea, maybe a way to cut down your costs and increase your profits sounds good, give them a call. Just maybe they can put you over the top. Contact Talbott at 541-947-3482 or Nalivka at 541-473-4170 or look them up on the Internet <http://land-livestock.com>