

Divide and conquer

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“The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour.” *Adam Smith*

I am confident that the division of labor theory, as explained by Adam Smith over 240 years ago, is still the best approach to increasing the efficiency of our labor. For example, one of the most well known examples of division of labor was Henry Ford’s use of an assembly line where each worker performs a specific task in the auto manufacturing process. It not only changed manufacturing, the resulting efficiencies made cars affordable for more people – while still maintaining quality – and changed our entire culture. Most people view that change in a positive light but, if you are more inclined to the thinking of the great Jerry Reed, you might say that “if The Lord that made the moon and stars would have meant for me and you to all have cars, he’d have seen that we was all born with a parking space.”

Examples of the division of labor in beef production include one person running the hide puller on a processing plant line, pen riders pulling sick calves in the feedlots, and order buyers putting together loads of feeder calves. Over time, the individuals performing these specific tasks hone their skill to optimize performance; often to the point that they cannot even tell you why they do it the way they do it – they just know it works best that way. The fact that the industry responded to market drivers by segmenting into cow-calf, stocker, feedlot, and harvest/processing phases is a division of labor on a broader scale.

There are, however, limitations to applying division of labor. Running a cow-calf operation would be easier if the owner could hire someone to manage the forages, a different person to manage supplemental nutrition, have a fulltime veterinarian on staff to manage health, and yet another person to provide the reproductive management. However, the scale and revenue potential for most cattle operations does not come close to supporting the cost of employing different people for each of those tasks.

Yet, there are still ways to divide and conquer when the size of an operation limits division of labor. The most common approach is for farm and ranch families to divide specializations among family members. One of the most enjoyable parts of my job is to work with farm families who each have a passion for a different component of the operation. A great example is a family where one brother has developed a keen ability to pick just the right genetics for how they market calves and another brother that has made an art out of managing forages and grazing. A daughter/niece then capitalizes on those genetic and nutrition resources to annually achieve >90% weaning rates to a 60 day breeding season while implementing artificial insemination and concentrating bull power. In those successful examples, the improved efficiency from division of labor is not only a helpful approach, it is critical for generating enough revenue to keep the entire family involved.

I work with many producers that manage the entire operation on their own, or with limited part time help that they hire as needed. Those producers might not have the luxury of focusing on a single component of the operation while someone else takes care of the others. Nevertheless, they still have

natural talents – like the innate ability to grow outstanding forage or to understand complex genetic schemes – while other components like marketing or risk management do not come as naturally to them. In those cases, successful producers use outside consultants to help fill in the gaps. Or, they outsource those components (i.e. paying a marketing agent to sell their cattle each year or buying hay instead of making it).

In any of those examples, a basic understanding of the entire beef production system is still critical. Whether you are a seedstock operator who is well versed in genetic selection, a commercial cow/calf producer that excels at forage management, or a stocker operator who has mastered the art of health management, having at least a basic understanding of how those areas of management affect all the others is critical for sustained economic success. Moreover, understanding how your product moves through the rest of the beef production chain, influencing or being influenced by other producers' decisions along the way, can improve the entire process and end product.

Almost everyone can be great at one component of cattle production, and I know a several people that are very good at multiple components of cattle production. However, meeting a cattle producer that is truly great at every component of cattle production is a rare exception. The most successful and satisfied cattle producers I work with focus on the area of production at which they naturally excel, make sure they know enough about the other areas to ask the right questions, and find creative ways to divide the rest.