

Chapter 5 – Small Enterprise Production

In November 2007, the National Animal Health Monitoring System (NAHMS) Beef 2007–08 Study was conducted in 24 States, representing 79.6 percent of U.S. cow-calf operations and 87.8 percent of U.S. beef cows. In July 2009, NAHMS launched its first national study of the goat industry, including producers from 21 States. Both studies examined the priority health and health-management issues facing these industries where small operations continue to play a significant role.

APHIS defines a small farm as a farm organized as a sole proprietorship, partnership, or family corporation with annual gross sales less than \$250,000. Ninety-one percent of all U.S. farms are small; they supply 15 percent of all U.S. crop and animal production and account for more than one-half of the land in U.S. farms. Within U.S. livestock agriculture, beef operations with fewer than 100 beef cows and goat operations of fewer than 100 goats remain strong contributors to total production. In 2007, these small beef operations accounted for 90 percent of all beef cattle operations and 46 percent of beef cattle. Similarly, 97 percent of goat operations, with 57 percent of goats, had fewer than 100 goats in 2007.

Beef Cow-Calf Operations

Approximately three-fourths of small beef cow-calf operations in the United States described themselves as commercial cattle herds that primarily produce market cattle for consumption. A similar percentage of large operations categorized themselves as commercial herds. The smallest beef herds (1 to 49 cows) were more likely to describe themselves as seedstock herds that primarily produce cattle for breeding purposes (11 percent of operations) than were herds with 100 or more cows (5 percent of operations). The breed makeup of small beef operations reflects their purpose, since most of these businesses are commercial operations. The primary breed on the majority of small beef operations (70 percent) was crossbred (two or more breeds); only 18 percent of small beef operations had mostly purebreds. Large operations had a similar breed makeup.

The majority of small beef operations reported that the operation was a supplemental source of income. Only 5 percent of operations with 1 to 49 cows and 24 percent of operations with 50 to 99 cows reported that the operation was the primary source of income. This is in stark contrast with large operations, where the operation was the primary source of income for 43 percent of operations with 100 to 199 cows, and the primary source of income for 65 percent of operations with 200 or more cows.

The percentage of an operator's time devoted to the operation increased with larger herd sizes and the earning potential of the operation. Operators with 1 to 49 cows spent an average of 29 percent of their work time on the operation; operators with 50 to 99 cows spent an average of 47 percent of their work time on the operation; and operators with 100 to 199 cows and 200 or more cows spent 56 percent and 68 percent, respectively.

Veterinarians were considered a very important source of information, with more than one-half of small beef operations reporting that veterinarians were valued sources of general, breeding, and genetics information. A slightly higher percentage (63 percent) of large operations (100 or more cows) claimed veterinarians as a very important source of information. Other producers and extension service, university, and vocational agriculture instructors were also cited by about one-fourth of small beef operations as very important sources of general, breeding, and genetics information. For animal nutrition information, feed salespersons and veterinarians topped the list of the most important sources of information.

Only about 5 percent of small beef operations had cattle leave the operations (to attend shows, fairs, rodeos, or other events) and return to the operation in the 12 months preceding the survey. This percentage was slightly higher (12 percent) for operations with 200 or more cows. Two-thirds of small operations reported that the maximum one-way distance traveled to an event was less than 100 miles. Similar maximum travel distances were reported by large operations.

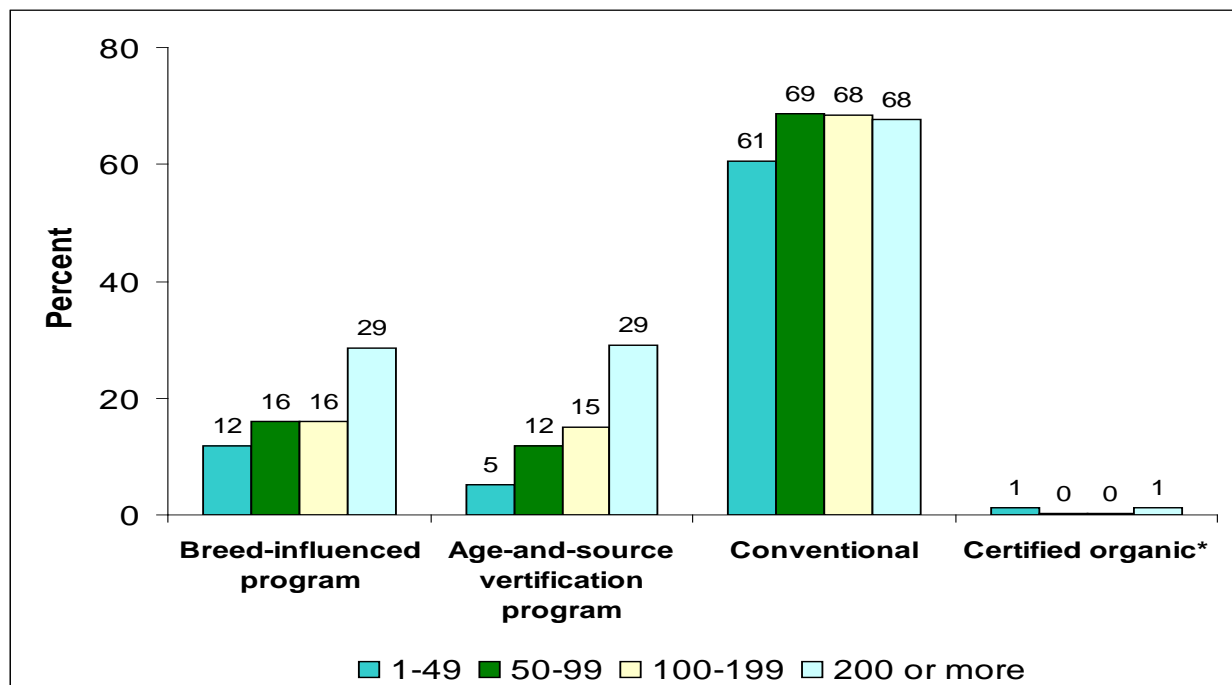
Small beef operations were less likely than large operations to use land other than their own for grazing purposes. While less than 2 percent of beef operations with 1 to 49 cows used any public land for grazing, 29 percent of operations with 200 or more cows did so. The percentage of operations that used any leased, private land for grazing also increased with herd size; from 22 percent of small operations (1 to 49 cows) to 69 percent of large operations (200 or more cows).

On small beef operations, 90 percent of cows and 80 percent of heifers calved. On large operations (200 or more cows), these percentages were slightly higher—94 percent of cows and 86 percent of heifers. For all operations, approximately 15 percent of calves weaned were replacement heifers, 38 percent were other heifers, and the remainder were bulls and steers.

Almost 70 percent of small beef operations used specific management practices to target conventional marketing channels to sell their calves, and one-fourth used specific management practices to target natural or certified organic marketing channels to sell their calves (figure 5.1). Large operations were more likely to use specific management

practices to target breed-influenced marketing channels (12 percent of operations with 1 to 49 cows vs. 29 percent of operations with 200 or more cows) and age-and-source verification marketing channels (5 percent of operations with 1 to 49 cows vs. 29 percent of operations with 200 or more cows). Certified organic producers¹ were represented at each end of the spectrum, with approximately 1 percent of herds with 1 to 49 cows and also for herds with 200 or more cows.

Figure 5.1: Marketing channels used by U.S. beef producers by herd size in number of beef cows



Small operations (1 to 49 cows) were less likely to have any cattle permanently leave the operation in the previous year than operations of other sizes. While 85 percent of operations with 1 to 49 cows had any cattle permanently leave in the past year, approximately 95 percent of all other operations did so. Of cattle and calves that permanently left the operation, 75 percent from small operations went directly to sales and auction markets. A lower percentage of animals from large operations went directly to sales and auction markets (66 and 45 percent on operations with 100 to 199 and 200 or more cows, respectively). Cattle and calves on large operations were more likely to go directly to a feedlot.

¹ Operations certified by USDA as meeting the standards for organic production.

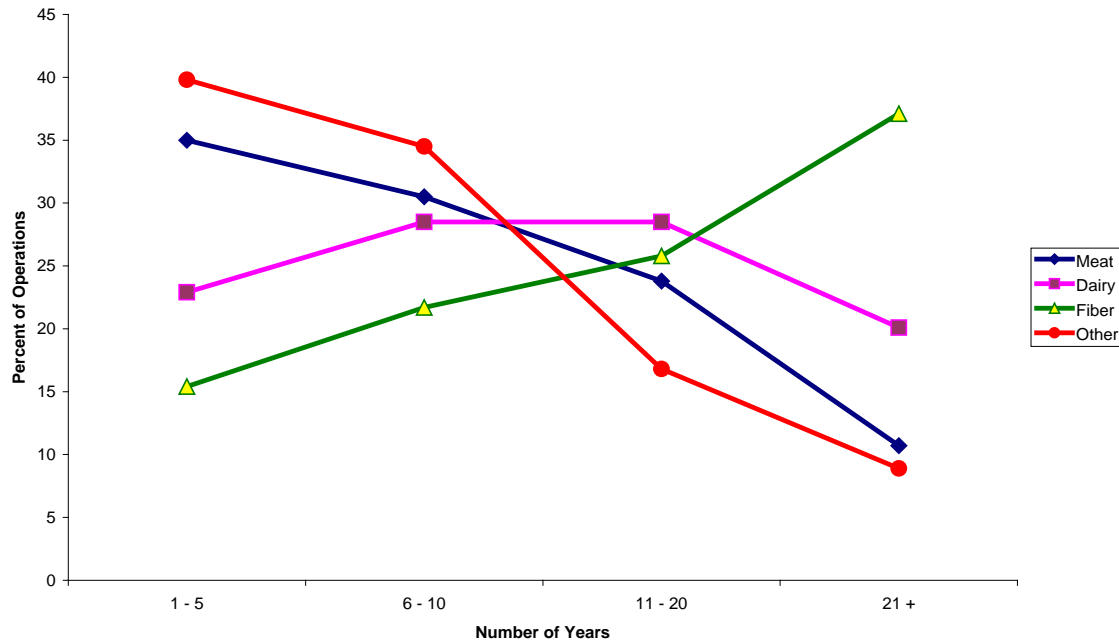
Two-thirds of cattle and calves shipments that permanently left small beef operations traveled an average of less than 50 miles to their destination. Small operations had a higher percentage of shipments that traveled less than 10 miles (10 percent of shipments) than did large operations (3 percent of shipments). The majority of shipments from all operations traveled between 10 and 49 miles to their destination.

Goats

The goat industry grew in both number of operations and number of animals between the agricultural census years 2002 and 2007. For those operations with fewer than 10 goats, 72.4 percent indicated their primary production focus was something other than meat, dairy, or fiber production, such as pet or companion goats. The primary production focus of the majority of operations (65 percent) with more than 10 goats was meat, while 10.6 percent described themselves as dairy goat operations; 22.5 percent fit into the “other” category, and were largely brush control or forage management operations. For all operation types, 13.0 percent reported their goat operations as a very important source of income.

The rapid growth of this industry has resulted in many inexperienced producers who are unfamiliar with goats and goat production. Nearly two-thirds (65.5 percent) of meat goat producers have managed goats for 10 years or fewer. More meat goat producers reported managing goats for 5 years or fewer than dairy or fiber production types, while fiber goat operations had the highest percentage of producers who have managed goats for more than 20 years (figure 4.2). The most important source of information about goat health for meat and dairy producers were other producers (38.1 percent for meat producers and 47.0 percent for dairy producers). The Internet was an important source of information for 29.2 percent of meat producers and 38.7 percent of dairy producers, and veterinarians, nutritionists, or other paid consultants were identified as sources of information for 28.3 of meat producers and 37.5 percent of the dairy producers. Almost all goat operations (90.3 percent) were managed primarily on a fenced range (uncultivated pasture) or fenced farm (cultivated pasture).

Figure 5.2: Percentage of Operations by Number of Years Primary Owner Has Owned or Managed Any Goats



Approximately two-thirds of all producers (66.7 percent) had visitors to their operations in the previous 12 months, and of these 59.5 percent had visitors entering the goat production areas (such as barns, sheds, and pastures). Of those operations with visitors entering the goat production areas, 40.8 percent always required at least one of the following biosecurity measures: clean clothes or coveralls, a footbath before entry, clean boots or the use of shoe covers, scrubbed shoes before or immediately after entry, hand washing before handling goats, no contact other livestock for at least 24 hours before visiting the goats, or parking vehicles away from goat area. Only 16.1 percent of goat operations had goats that left the operation in the previous 12 months to attend an event and return to the operation (e.g., fair, show, sale, rodeo, or visit to another operation). Of these operations, 27.6 percent always isolated the returning goats from other goats on the operation and another 10.6 percent sometimes isolated the returning goats separately.

Overall, 21.5 percent of operations added either kids or adult goats to their operation in the 12 months prior to the study. The majority of these operations obtained the goats or kids directly from another premises with goats (72.8 obtained goats and 69.1 percent obtained kids). Goat operations marketed their goats and kids primarily through auctions or sale barns (57.3 percent goats and 52.8 percent kids).

Conclusion

Small beef cow-calf operations and goat operations managing fewer than 100 animals still account for more than 90 percent of beef and goat operations and hold approximately one-half of beef cattle and goat inventories in the United States. The majority operate their farms on a part-time basis and view their livestock income as a supplemental, rather than primary, source of income. Livestock on these operations tend to move off the operation less frequently than livestock on large operations and remain closer to their home base when they do travel. When moved off of operations permanently, they are more likely to go to auction markets than livestock from larger operations. While more than one-half of small beef cow-calf producers cited veterinarians as a very important information source to their operations, more goat producers reported relying on each other for goat health information.