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### News Briefs

#### **Complete the Ranch Management Survey for the chance to win a YETI cooler!**

The Animal Science Department of University of California, Davis is conducting a survey in order to design an effective rancher educational program. All collected information will remain anonymous, and will be used to improve educational programs as well as continue to benefit to the beef industry. Prizes include a YETI cooler, YETI cups, hats, gift cards and more!

In order to be considered, survey results must be received by September 30th, 2019 and prizes will be sent out in October 2019.

Click [here](#) to complete the survey to win!

#### **Upcoming Webinar - Practical Considerations for Hunting Leases**

**Wednesday, July 17, 2019 9:00-10:00 AM** - Click [here](#) to register (free)

Leasing property out for hunting is an attractive option to generate additional revenue for landowners across the country. This webinar will focus on practical issues that you need to consider and address in any hunting lease. Price is a major component of every lease agreement, but other issues such as the number of hunters allowed, the purchasing of liability insurance, restrictions on certain hunting practices, the use of ATVs and a host of other concerns are not common issues in most lease agreements. It is critical that both the landlord and the tenant recognize these issues on the front end and to address as many as possible in the lease agreement to ward off potential legal problems during the lease period.



## Cow-Calf Cost Studies

*Last updated in 1993, the Central San Joaquin Valley (Fresno and Madera Counties) finally has a new cost study on the potential costs and profits for a cow-calf operation.*

Cost studies are one of the most often accessed resources provided by University of California Cooperative Extension.

Outside researchers may rely on them to gain an understanding of the costs of operating in a particular area in California, or to better understand the production cycle of a specific industry. Federal agencies may use them to better develop services for agricultural operations, such as crop insurance programs or cost sharing opportunities. Farmers and ranchers should also find value in cost studies for their own operations. Our goal is to help you evaluate how your operation is doing, relative to the average calculated in the cost study. We hope that by detailing all the annual inputs for a typical operation, you might be better able to allocate your resources - or to identify areas that are taking too many resources already.

You may have heard from me last year, requesting input on the cost study. This is because we rely on information from folks in the industry. As a non-rancher, I can't just write what I assume things cost (well, I could, but that wouldn't help anyone, because I would be almost certainly be wrong). I appreciate the time that several of you spent to sit down with me to go over the details of a cattle operations calendar in the area, and how much a good bull goes for now, and whether you mostly use ATVs or horses to monitor and move your cows. I used your comments to refine the numbers and approximate a "typical" 200-cow ranch in this area. Of course, it's unlikely that any operation exactly matches the numbers we put together. Instead, we hope it will serve as a useful guideline that can be scaled and adjusted to match your operation.

One part of the Central San Joaquin cow-calf cost study is unique relative to recent cost studies in other parts of California. Because many local ranchers both own and lease grazing land, we decided to highlight which costs relate to land ownership and which costs relate to land leases. Our cost study thus has three columns for costs and returns: one column for owned land, one for leased land, and one for the total. As you might imagine, the costs and returns for owned and leased land were nearly identical - otherwise, as economics professor and cost study co-author Dan Sumner pointed out, everyone would either own or lease land, whichever was cheaper.

You can view this cost study and the current studies on many other commodities and regions in California here: <https://coststudies.ucdavis.edu/en/current/>

For archived studies, visit: <https://coststudies.ucdavis.edu/en/archived/>

## How to use Airbnb to add value to your small farm or ranch

By **Laura Snell**, UCCE Modoc County Director and Airbnb Modoc Rural Retreat

I have been an Airbnb host for nearly four years now, meeting people from all over the world and sharing my rural way of life. I currently own a 3 bedroom/2 bath house on 10 acres in Modoc County, CA. Modoc County is in the northeast corner of California bordering Nevada and Oregon. It is quite rural with over 70% public land and just under 10,000 people. Guests that come and stay with me enjoy the amazing summer night skies filled with stars and wake up to a beautiful view of the Warner Mountains. When I first bought the property, I questioned how to earn income on a small property and also educate the public about rural living – Airbnb provided an opportunity. Now, beyond helping you to rent a space, Airbnb can also help you market experiences on your property or in your community.



Airbnb experiences are a relatively new program to Airbnb guests. People from around the world are offering tours, classes, shows and more to people wanting to “experience” new things on their travels. In California, hosts are offering horseback riding, cooking lessons, farm tours, and art lessons to name a few. Hosts get their own page on Airbnb and set their calendar to offer experiences. Airbnb handles payment processing, customer service, and up to \$1 million insurance. There are a few things like rock climbing and scuba diving that the insurance doesn’t cover so make sure you read the fine print.

A host can choose to participate in the traditional Airbnb program hosting overnight guests, trying out the new experiences program or both on their small farm or ranch. When starting either program, I suggest that you aim for clean, comfy, and simple. Advertise what you can reasonably accommodate and guests can always ask you questions and you can always offer more if the opportunity arises. I find that guests like to be pleasantly surprised rather than disappointed. I have a full time job off the ranch so I offer a clean, comfortable private bedroom and bathroom and have snacks, bottled water, coffee and tea available for guests.

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## Livestock & Natural Resources Newsletter

### *AirBnb cont'd*

I have a collection of hiking maps, restaurant menus, area maps, and local suggestions that guests can look through when they arrive. The space is self-sufficient in case guests arrive when I am at work, so they can immediately make themselves at home.

Over the last couple of years I have raised chickens and quail, raised a steer, cut firewood, and entered into a rangeland restoration project involving cutting down juniper for essential oils. I grow a good sized garden and have canned, dried, and frozen a lot of local produce. Airbnb guests have had the opportunity to ask questions, see new things, and even participate in the regular activities at my homestead. Airbnb guests have helped to bucket feed my 1000 pound steer, weed the garden, and even split firewood just for the experience.



When I am able to offer these experiences to guests, I receive really favorably reviews and have often been a “super host” which is set on number of guests and favorable reviews.

One of the reasons my Airbnb has been so successful is that I am one of the only places in my area that allows pets. I have a dog myself and I have found that more and more people traveling these days are looking to travel with their pets. Not only allowing pets but providing dog dishes, pet treats, and dog friendly hikes nearby has also given me an edge. I also try to make accommodations for kids and small families traveling. Although my space is not very large, it is comfortable for a couple traveling with a small child or two. This flexibility targets some of the fast growing traveling populations. I encourage you to find your hosting niche - do you offer an amazing view, can guests pick fresh fruits and veggies from your garden, or do you offer a rural escape from the city?

I set my price about the average of room rates in Modoc County, \$60 per night. The room was full roughly six months out of the year last year, which was plenty of business for me. If I wanted to work harder I probably could have, but Airbnb generated a net income of about \$6000 in 2018. In more populated areas where lodging rates and guest interest is higher, I would predict larger income generation. Make sure to check and see if local lodging taxes apply in your area, Airbnb can help you find this out but in Modoc County there are no additional taxes.

Although Airbnb makes it easy, I still had some adjusting to do sharing my house with complete strangers. The way my house is set up, there is a private entrance into a mudroom that leads to a private bathroom and bedroom for guests. Even though this is a private area of the house, it is still attached to the main house and the kitchen and living room are shared spaces. For my peace of mind and safety I do not use the automatic booking option on Airbnb. Automatic booking was not an option when I started and I feel more comfortable renting to people who are willing to write a short note or story about who they are and why they are visiting. I have denied requests for staying if someone writes a one word message or uses poor language. Using this system, I have had very few guests over the past four years that I would not invite back and I have never had a situation where I felt unsafe.

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*AirBnb cont'd*

One of the things I get asked about really often is liability insurance and policy coverage through Airbnb. Although I have never had to file a claim (and hope I never have to) Airbnb has a pretty robust insurance policy of a million dollars for hosts. I choose to add extra insurance costing \$12/month on my home owners' policy and feel comfortable with the coverage. There is also a million dollar policy on Airbnb experiences that covers almost everything you might want to do with guests. Even if you never thought of taking people into your home, Airbnb experiences might be a great way to offer tours of your property, take people on a favorite hike or teach them a new trade or craft.

Airbnb has provided many benefits for my homestead over the past four years from making new friends, educating the public and generating income. If you have ever thought about becoming a host for overnight guests or the new experiences program, I suggest you give it a try. Finding your hosting niche and telling your story will help you get more guests while also bringing interest to your property and community.

*Editor's note: Laura can be contacted at [lksnell@ucanr.edu](mailto:lksnell@ucanr.edu).*



## Niche Meat Production and Processing

*Conventional meat production relies on live animal sales to a processor, who then sells a finished product to retailers or consumers. If you want to direct market your own meat, keep economics in mind.*

Dan Macon, Livestock and Natural Resources Advisor in Yuba, Sutter, Placer, and Nevada Counties, created a **Value-Added Meat Economic Analysis** worksheet for livestock producers to evaluate the costs and benefits of niche marketing.

Dan's instructions for the worksheet can be found on the next page of this newsletter. The worksheet itself can be downloaded here: <https://ucanr.edu/sites/placernevadasmallfarms/files/164101.xls>

Additional niche meat processing and marketing information is available at: [https://ucanr.edu/sites/placernevadasmallfarms/Livestock/Niche Meat and Processing/](https://ucanr.edu/sites/placernevadasmallfarms/Livestock/Niche%20Meat%20and%20Processing/)

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*Niche Meat cont'd***Producer Economic Analysis Instructions***Dan Macon, Livestock and Natural Resources Advisor***Overview**

Livestock producers who are considering direct marketing their meat products to consumers must evaluate the economics of this marketing option carefully. By definition, a value-added product must actually add value – that is, direct marketing meat must have an economic advantage over conventional live animal marketing opportunities. This Excel spreadsheet is designed to help livestock producers evaluate value-added economics.

To properly analyze whether direct marketing is a viable opportunity, this economic analysis requires a producer's "meat business" to purchase finished animals from his/her "livestock business." This analysis does not account for the cost of producing a live animal; rather, the analysis assumes that the livestock business is profitable in selling a live animal at current market price.

To complete this analysis, add your numbers to the yellow cells. The white cells in the spreadsheet are calculated automatically. Please note that the numbers currently in the yellow cells are realistic examples. Your actual numbers may vary from these examples.

**Several issues for producers to note:**

1. Direct expenses are those costs that vary directly with the number of animals marketed. Overhead expenses are costs that are incurred regardless of the number of animals marketed. Obviously, overhead costs like marketing and storage will vary somewhat by volume, but they are still included as overheads.
2. Dressing percentages (that is, the ratio of the hot carcass weight to liveweight) for the four species analyzed are in the following ranges:
 

<b>Lamb: 48-50%</b>	<b>Beef: 56-60%</b>	<b>Pork: 65-70%</b>	<b>Goat: 45-48%</b>
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3. Actual dressing percentages may vary slightly from these guidelines.
4. Retail yield will vary depending on the products fabricated (that is, whether products are bone-in or boned, ground, etc.). Generally, retail yields will be 30-33%. Transportation costs (for live animals and processed meat) are a significant factor in determining profitability. In general, it is not profitable for producers to process one or two animals at a time.
5. Transportation expenses are calculated at the current IRS mileage reimbursement rate, which includes fuel and wear-and-tear on your vehicle. An alternative way to analyze this cost is to plug in a commercial haul rate for contract livestock hauling. Marketing expenses should include fees (farmers' market membership fees, stall fees, advertising, etc.).
6. Labor includes charges for the time required transporting animals (which is calculated based on an average speed of 50 miles per hour to include loading and unloading time). Labor also includes marketing time. Producers should estimate the hours required to market and sell all products from a single animal. Obviously there are trade-offs relative to marketing labor – it may take less time to sell a whole animal to a restaurant than through a farmers' market, but the wholesale price will be less than the retail price.

