

**COLORADO RANCH MANAGEMENT SCHOOL
TRUE/FALSE QUESTIONNAIRE**

- T F _____ 1. Enterprise gross margins are the difference between enterprise gross revenue and direct cost.
- T _____ F 2. *only after getting by head*
Gross margins allow us to compare operations of different structures and sizes.
- T F _____ 3. Contribution analysis gives the ranch gross revenue credit for livestock even though the livestock were not sold.
- T F _____ 4. Managerial accounting differs from financial accounting in the following ways: managerial accounting places less emphasis on precision and it is not governed by generally accepted accounting principles.
- T F _____ 5. Managerial accounting allocates cost based on their behavior?
- T F _____ 6. Over the long run, price equals the average cost of production. *even under subsidy*
- T F _____ 7. To survive in the ranching business, your cost of production must be below average.
- T _____ F 8. Changing the calving season to an earlier time will allow you to wean larger calves and make more profit.
- T F _____ 9. Young animals have a need for high-quality forage and are therefore sensitive to stocking rate. *through cows*
- T F 10. *quality*
Amount of forage available determines the appropriate stocking rate for a given forage base.
- T F _____ 11. Opportunity to regrow is a principle factor in determining plant response to grazing.
- T F _____ 12. Effective uses of forage will have a major effect on profitability on your ranch.

- T F ✓ 13. Having plants other than grasses will detract from the capacity of your range to produce livestock products.
- T ✓ F 14. Grazing with several kinds of animals will generate more profit and greater ease of management. *Some cases*
- T ✓ F 15. Forage is the major asset of your ranch.
- T ✓ F (16) *one time* Grass needs to produce seed to reseed the range and survive. *- over time*
- T F ✓ 17. A leaf originates at the base of the plant and grows until grazed or until the end of the growing season.
- T F ✓ 18. Grazing has the same effect on grasses any time in the season.
- T ✓ F (19) Temperature and moisture are two factors that dictate forage quality.
- T F ✓ 20. Cow demand for forage quality is constant throughout the year.
- T ✓ F 21. *equal impor.* Size is more important than milk production of the producing female in dictating whether the animal "fits" her environment.
- T F ✓ 22. Selecting heifers for high fertility and heavy calf weaning weights will ensure a profit on your ranch.
- T ✓ F 23. *Some - not much* Forage contains carbohydrates, such as starch and sugar, in the stems and leaves as well as in the seeds.
- T ✓ F 24. The seeds of plants are rich in carbohydrates.
- T ✓ F 25. All animals can digest starch, but only micro-organisms such as bacteria, protozoa and fungi can digest fiber.
- T ✓ F 26. Forage is the source of a rancher's wealth because microbial digestion of fiber provides the ruminant animal with both protein and energy.

- T F ^h27. Starach digestion in the rumen is slow, resulting in a pH which favors the fiber digesting micro-organism.
- T F 28. Substitution is the most costly strategy when managing nutrition.
- T F 29. When forage quality is less than 7% crude protein, rumen micro-organisms will become protein deficient and supplemental protein is necessary to maintain a large, healthy microbial population.
- T F 30. If the ruminant animal is eating a low quality forage diet, providing a protein supplement will increase the animal's ability to digest the forage and thereby increase energy.
- T F 31. A cow in BCS 5 at calving must be flushed for two weeks prior to breeding if she is to conceive in the first 21 days of breeding.
- T F 32. *yes, but* Reproduction is governed by nutrition and if you manage nutrition well, you will always have high reproductive performance.
- T F 33. The most profitable animal production strategy is to sustain a balance of reproduction and growth that your forage base can support.
- T F 34. The significant importance of genetic management for a commercial rancher is to design an animal that fits the ranch resources.
- T F 35. Reproduction and growth traits tend to be antagonistic toward one another.
- T F 36. The animal is your final product but forage is the source of your wealth.
- T F 37. As a forage matures, it becomes more fibrous, less digestible, and all nutrients become less available.
- T F 38. Three ways to improve ranch profit are to increase gross margins per unit, reduce overhead cost, and/or increase the number of units. *produced they may be in loss*

SOLUTION SHEET

PREWORK QUESTIONNAIRE

- | | |
|-------|-------|
| 22. F | 1. T |
| 23. T | 2. T |
| 24. T | 3. T |
| 25. T | 4. T |
| 26. T | 5. T |
| 27. F | 6. T |
| 28. T | 7. T |
| 29. T | 8. F |
| 30. T | 9. T |
| 31. F | 10. F |
| 32. F | 11. T |
| 33. T | 12. T |
| 34. T | 13. F |
| 35. T | 14. F |
| 36. T | 15. T |
| 37. T | 16. F |
| 38. T | 17. F |
| 39. T | 18. F |
| 40. T | 19. F |
| 41. T | 20. F |
| 42. F | 21. F |

Write the questions on your flip chart with which you disagree or of which you want clearer understanding.

**Review Questions
and
Reading Assignment**

Review

1. Explain to your economics specialist why you will get better management information from a gross margin analysis than from an analysis of total cost per cow.

2. Using the economic graph, show how the graph changes when you change the 3 factors that influence profit.

With each change, explain how the business can be better structured for success.

3. Your accountant wants you to allocate all your overhead expenses to your separate enterprises. What is your response.

4. You have four basic financial tools:

- 1. Cash flow analysis *reflects decision - assurance of cash for operations and interest*
- 2. Gross margin analysis *what you can control*
- 3. Income statement *revenue for period, expenses*
- 4. Balance sheet *snapshot, assets, liabilities, equity, book value*

Explain what each can tell you about your business and why each is important to use in management.

5. You can have a business that has a positive cash flow but is not profitable. You can have a business that is profitable but does not cash flow.

Using CRMS principles and tools, explain how this can be true. Give examples

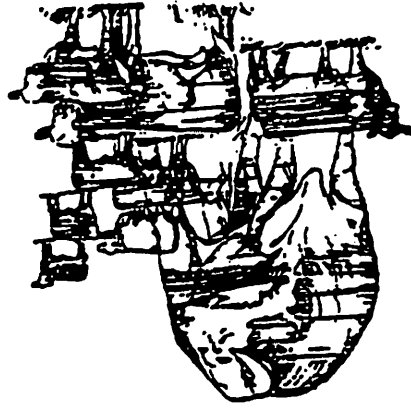
Reading Assignment:

Land Section

- C-8
- C-10
- C-11
- C-17 through C-22

Grass Section

- pages 2-4
- pages 24-25
- pages 28-37



**THE
COLORADO
RANCH MANAGEMENT
SCHOOL**

Colorado
State
University
Cooperative
Extension

COLORADO RANCH MANAGEMENT SCHOOL

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OVERALL SCHOOL OBJECTIVES

Having participated in this course your management options will be more clear, your decisions easier to make, and the results will be achievements that really make your happy. Why?

- 1. You will use a simple, 4 step management process**
- 2. Your efforts will always be focused toward achieving the things that matter most to you**
- 3. You will understand the fundamental life principles which govern the functioning of your land, forage, finances, animals and family.**
- 4. You will master the basic set of management tools needed to manage effectively.**

1/2 CPM's diagnostic and monitoring tools

- financial

- energy

- livestock management

#5 - life savings contributions (improvement) preventing problems, loan management

Financial (Preferred Management) - animals - flog

financial in the balance better.

Bank Loan Analysis

Gross Margin - Direct Cost = Gross Weight
Gross Per = Sales of product - energy of inventory
- purchases

Early Fico
Delta Share
Future Settlement

purpose - to understand "why" profit or loss
- how to change
- by specific expenses
- by overall structure - overhead.

Soreg Battle - Non Driftie environment.
Rain fall, Decaying, succession, Best, overgrowing Grass

Soil Source Energy, Managing Energy and efficiency of it
Nutrient Density

conversion to product

Energy, Hydrolytic, Succession, Change.

Energy each one - for, protein, energy - Acquire, Temperature

influences

Energy range to obtain best nutrient characteristics
(improvement) while increasing plant nutrient - feed greater pop.

Factors of control

Influencing of digestion

Frequency of digestion

Efficiency in response

Selection - selection

Soil - Soil, management security, duration - living
Disease of plants
Disease of plants
Physical stress

Control response, plant - high growing process

skull in population
skull turned mucifera
pathology, pathology, pathology.

Health/patient - metabolism and management
- for carrying capacity
- adaptation - mortality

Health - mortality

SCS in management
Sinking Rate

Tools

C-24

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