



# KING RANCH INSTITUTE FOR RANCH MANAGEMENT

TEXAS A & M UNIVERSITY - KINGSVILLE

Volume 3, Issue 1  
Spring 2007

## King Ranch...

*What a wonderful place to learn!*

*-Helen Kleberg Groves*



Photo by Tom Urban - *Wildlife of the King Ranch* collection

“Those who would leave an impression for a year plant rice, those who would leave an impression for ten years plant a tree, but those who would leave an impression for 100 years educate a human being.”

*-Chinese Proverb*

### **KRIRM Management Council**

Chair: James H. Clement, Jr., *Chairman, King Ranch, Inc.*

Caroline Alexander Forgason, *Robert J. Kleberg, Jr. & Helen C. Kleberg Foundation*

Gus T. Canales, *A.T. Canales Ranches*

Dave DeLaney, *VP and General Manager of Livestock and Ranching Operations, King Ranch, Inc.*

Lynn Drawe, Ph.D., *Director, Rob & Bessie Welder Wildlife Foundation*

Paul C. Genho, Ph.D., *President, Farm Management Company*

Bob McCan, *McFaddin Enterprises*



TEXAS A&M  
UNIVERSITY  
KINGSVILLE

NEWSLETTER



## *From the Director, Dr. Barry Dunn*

My father once reminisced with me about a hunting trip to the Rocky Mountains my grandfather treated him to following his discharge from the Army Air Corp after his service during World War II. As they filled their car with gas at a stop in eastern Wyoming, the gas station

operator/real estate broker (remindful of Mr. Haney from the TV show “Green Acres”) offered them ranchland for \$2.00 an acre. My father remarked that he didn’t have but a few dollars to his name and was planning his marriage to my mother. My grandfather, having just lived through two world wars and the Great Depression, thought it “too risky.” Today, ranchland across the western United States is being sold for many hundreds, even thousands, of dollars per acre. Hindsight!

Over 231 years ago, in his world changing book, “The Wealth of Nations,” Adam Smith described a situation in economics that he referred to as “the Diamond/Water Paradox.” He observed that when a resource is in great quantity and which also has great utility, society does not place a very high value on it. His example was water. In contrast, he described the situation when a resource is scarce, but has little utility, society places great value on it. His example was a diamond.

Another more current example of Adam Smith’s “Diamond/Water Paradox” is the market for ranchland following World War II versus today. Sixty years ago, there was a great deal of ranchland on the market. Large insurance companies and banks were still holding vast acreages they had foreclosed on during the Great Depression. And it had great utility. It produced both food in the form of beef and lamb, but also fiber in the form of wool. My parent’s generation spent as much as 25 percent of their disposable income on food. Without a global market, most of that food was raised on this nation’s ranches and farms.

Today, in stark contrast, and with a population twice as large as the mid 1940s, and much more stable and wealthy, our nation’s ranchland is considered scarce. And it does not provide as much utility as it once did, as we spend only 9 percent of our disposable income on food, much of that imported from other countries. The sheep industry in the western United States is all but gone, and what’s left provides little food or fiber. Ranchland, as reflected in current prices, has to this nation, become a diamond.

The short and long term impacts of this phenomenon are enormous. Will sky high prices lead to further fragmentation of rangeland ecosystems? Will the current prices bring ranchland to the market that has been in family ranches for many generations? Will exploitation of rangeland for short-term financial gains carry with them long-term negative consequences?

On the flip side, being a diamond can be a really rewarding thing! High prices provide stability for the financial positions of owners of ranches. The general belief that the resource is scarce, brings economic opportunities for ranchers who can capture value from people interested in outdoor experience of all types. In 2007, news articles have appeared about the formation of a carbon exchange that may, in the not too distant future, financially reward ranchers for the ability of their pastures and rangelands to sequester and store carbon. Range and pasture management, which results in more and cleaner water in watersheds and aquifers, is being rewarded by some forward thinking urban planners and governments. Sincere interest in wildlife conservation has created partnerships between land owners, NGOs, private citizens, and governments that use carrots instead of sticks.

The cumulative result is that in the near future, a ranch’s financial statements may include income from things like; photography, the creation and maintenance of wildlife habitat, carbon sequestration, the yield of clean water from its pastures, hunting, ecotourism, **and** from the production of food and fiber from livestock. Ranchers have always known that their ranches were diamonds, and it is nice that others do too.



# WAGON TRACKS

# Ruminant Nutritionist Hired as an Institute Faculty Member

**K**im McCuiston inherited her father's passion for cattle. A hobby rancher in Rosenberg, Texas, just outside of Houston, he raised her with the idea that heaven was a Beefmaster spread.

Like so many kids who love animals and agriculture, she thought she wanted to become a vet. But as an undergraduate at Texas A&M University, she realized she had a passion for research instead. As an Undergraduate Research Fellow at Texas A&M, Kim discovered a field she didn't even know existed – cattle nutrition – and decided to pursue it. Now she is a faculty member at the King Ranch Institute, with a half-time teaching position in the Department of Animal and Wildlife Sciences in the College of Agriculture, Natural Resources and Human Sciences at Texas A&M University-Kingsville.

McCuiston studies ruminant nutrition and will conduct research projects to better understand what cattle eat and how it affects their health and growth. She is committed to conducting research that directly benefits beef producers and the ranching industry.

"I want to find out what questions and problems ranchers have, and then develop research projects around finding solutions," she said. "I want to provide practical solutions to practical problems. I hope to visit with ranchers and discuss issues like supplementation and forage quality."

The field of ruminant nutrition is a dynamic one, and McCuiston studies everything from cow/calf and forage production, to cutting-edge environmental issues that impact range ecosystems. In addition, she wants to be able to tie her research findings back to economics and how it will ultimately affect the profitability of a ranch.

Kim's research and educational background is very diverse. After graduating from Texas A&M, she earned her Master's degree at Kansas State University in beef cattle nutrition. She enjoyed the basic research at Kansas but felt that she wanted to get more involved with current issues facing beef producers. So, she accepted a position with Texas Cooperative Extension in Amarillo and began pursuing a doctorate at West Texas A&M University (WTAMU) in Canyon.

"My Ph.D. program at WTAMU allowed me to focus on a systems approach to production agriculture," Kim said. "I was able to tailor my interests toward the economics of forage production and stocker cattle grazing systems."

Her research background has always focused on ruminant nutrition. As an undergraduate, she studied the effects of nutritional supplementation on reproductive traits in female fallow deer. At Kansas State, her studies focused on amino acid utilization in growing steers. At West Texas A&M, she conducted forage production trials



Kim McCuiston, Ph.D., P.A.S.

that compared irrigation water use for both hay and silage production and monitored the performance of yearling cattle on stocking rate trials.

In addition to her research, Kim was able to visit with regional beef and forage producers to identify research needs. Part of her job responsibilities also included being an instructor with the Texas Beef Quality Producer Program that delivers Beef Quality Assurance information to cow-calf and stocker producers across the State of Texas.

Kim and her husband, Brian, met in 1997 while attending Texas A&M University and were married in 2003. Brian is a general manager/merchandise for a large grain cooperative in South Texas and is very involved in the agricultural community.

"We love anything outdoors," she said. "Playing with our two Labrador retrievers, gardening, fly fishing, kayaking..."

McCuiston started at the institute in November, and is looking forward to working with area ranchers and interacting with the students at Texas A&M University – Kingsville.

# Experiencing Education

## Institute Student Designs King Ranch ID Program

The goal of the U.S.D.A. National Cattle Identification System is to create a tracking database for use in case of diagnosis of serious diseases such as foot and mouth or BSE. By using the database, national and state veterinarians could trace the movements of infected cattle and determine all other cattle they would have come in contact with in less than 48 hours.

As a veterinarian, King Ranch Institute for Ranch Management master's degree candidate Dr. Craig Payne is quite familiar with how cattle diseases spread. That's why, in the fall of 2005, he was asked to design a program that would prepare the King Ranch for the U.S.D.A. National Cattle Identification System that was to go into effect by January 1, 2009.

Craig made some interesting discoveries during the development and implementation of his plan for the King Ranch's Encino Division. When King Ranch implemented Payne's plan in 2006, they spent \$600 for a paddle scanner, \$300 for a PDA, and \$2.00 per tag. It was reassuring to the King Ranch management team that they weren't going to need elaborate or expensive equipment to get the job done.

Craig also learned that the only animals that need an ID tag are those that are leaving the operation.

"There is a common misconception in the industry that under the national ID system all cattle on an operation would have to be tagged," Craig said. "In fact, the only time an animal requires a tag is when it is moved to a location that has a different premise identification number. This

could be to a sale barn, feed yard, etc. In the case of the King Ranch, even though they move cattle between divisions, tagging is not required because the divisions would have the same premise number."

Some in the industry view the national ID system as a threat to privacy and security. Others are concerned about the costs of such a system. Many cattlemen are uncertain about what would be required of them to be compliant with the system. As a result, the system that was to be mandatory has recently been changed to a voluntary program.

While Craig understands the concerns, he disagrees with the privacy and security concerns or what some may call a "Big Brother" syndrome. Craig feels that the real threat to the industry lays in the inability to quickly track the movement of cattle if something like foot and mouth found its way into the U.S.

"If you understand the epidemiology of this disease and how cattle move around the U.S., you begin to realize how widespread it could become in a very short time," he said. "The National ID system would play a pivotal roll in containing such an outbreak. And on King Ranch, we were able to get the job done at minimal cost and little inconvenience."

Craig and his wife Colie are both from Missouri. They are expecting their first child in June, shortly before Craig finishes his program at the King Ranch Institute for Ranch Management.

# Institute Student Develops Plan for Unconventional Ranch

Escondido Ranch is not your typical South Texas Ranch. In fact, it would not be considered a typical ranch anywhere. The 7000-acre property near Freer is owned and run by the U.S. Department of Defense. No, it's not a bombing range. It's a recreational facility for retired and active duty military personnel.

The military needed help designing a program that would create sustainable hunting on the ranch for years to come. So they chose Clint Richardson, a master's student at the King Ranch Institute for Ranch Management, to do the job. Clint was excited about the opportunity to design a management plan for the ranch, which included habitat protection, and wildlife management.

"The military has owned the ranch for about ten years, and they needed help making it sustainable," Clint said. "We worked with them to determine the best method for record keeping, and how to keep track of the animals on the ranch through spotlight and aerial surveys to develop management goals and strategies." Clint also developed a habitat management plan using controlled burns and made recommendations for spraying herbicides to control brush.

Military personnel participate in a raffle to determine if they will be chosen to hunt deer on the ranch. They can also pay to fish and hunt quail, feral hogs, javelina, and turkey. But, Clint felt that to make the ranch more successful, marketing was an important area that needed improvement. Many people in the military don't know that the ranch exists.

"We wanted more people to be aware of the ranch," he said. "So we began marketing at different military facilities in South Texas." Clint also looked at marketing the ranch's additional recreational opportunities to other segments of the community like Boy Scouts and Girl Scouts, and non-traditional users like stargazers.

Before entering the institute's master's program, Clint worked at Deseret Cattle and Citrus in Florida. With an undergraduate degree in animal science from the University of Kentucky, he worked at Deseret as a foreman in heifer development and then the seedstock division.

"Working on the project at Escondido has been great for me because it allowed me to develop skills in range and wildlife management, as well as improve my business management skills," Clint said.

Clint grew up in Kentucky and Colorado where his family raised cattle and horses. He is married to his high school sweetheart, Debra, and they have four children.



Craig Payne, DVM  
*Lee & Ramona Bass Fellow*



Clint Richardson  
*ExxonMobil Fellow*

## KRIRM Students Find Answers to Real-World Problems Through Research and Case Studies



## “Balanced Scorecard” Featured at

Successfully managing a ranch takes a certain skill set - from a strong work ethic to a strong back - as well as an understanding of business management tools. That’s why the King Ranch Institute of Ranch Management featured a new concept called the “Balanced Scorecard” at its 3rd Annual HOLT-CAT® Symposium on Excellence in Ranch Management.

The Balanced Scorecard is a method of evaluating the success of a ranch from multiple perspectives. It was developed by two Harvard University business professors and has been adopted widely by businesses like General Electric, DuPont, IBM and Ford Motor Company. Though successfully used by farmers in New Zealand, the Balanced Scorecard concept is new to ranchers in the United States, Mexico, and Canada.

“The application of this novel concept has great potential for making business planning successful for ranches across North America,” said Barry Dunn, Executive Director of the King Ranch Institute for Ranch Management.

The use of scorecard was explained at the symposium, which included more than 175 participants from 13 states, and four different countries. Simultaneous translation was provided for guests from Mexico.

Keynote speaker, Nicola Shadbolt, a senior lecturer and researcher in farm and agribusiness management at Massey University in New Zealand, explained the use and benefits of the balanced scorecard.

“A successful ranch business plan needs to address many facets,” she said. “It’s easy for ranchers to overlook



# Successful Institute Symposium

those aspects of ranch management in which they are less accomplished or experienced. But a successful ranch manager must have in place effective plans for natural resources, livestock, wildlife, business and for the people who work on the ranch. The Balanced Scorecard approach helps incorporate all of these.”

Participants learned the principles of the scorecard in a workshop environment, led by ranchers from Texas and the nation. Speakers included Butch Thompson from King Ranch, Rob Ravenscroft from Nebraska, Trey Patterson from Wyoming, Pete Talbot from Oregon, Donald Brown from Texas, Troy Marshal from Colorado, Bonnie Long from New Mexico, Bob Morehouse from Texas, and Connee Quinn from South Dakota.

Following the workshops, participants had the opportunity of taking one of four tours of the King Ranch: range and wildlife management, cattle and horses, historical, or birding.

**MarkYourCalendar'sFor2007!**

**4th Annual HOLT CAT® Symposium for  
Excellence in Ranch Management  
October 25-26, 2007 •Kingsville, Texas**

Watch for more information in the Summer  
Newsletter or visit <http://krirm.tamuk.edu>

## KRIRM Offers First Master's Degree Program in the World for Ranch Management

Following approval by the Texas Higher Education Coordinating Board, Texas A&M University-Kingsville now offers the only Master's of Science degree in ranch management in the world. The degree will be awarded in the University's College of Agriculture Natural Resources and Human Science's Department of Agronomy and Resource Science, the academic home of the King Ranch Institute for Ranch Management (KRIRM).

While the degree contains core courses in business, animal science, range management, and wildlife management, it is designed to be very flexible. For example, if a student's previous degree was in animal science, their course work would primarily be in range and wildlife management and business. By the same token, if another student's bachelor's degree is in wildlife, then their plan of study would focus on courses in animal science, range management and business. The philosophy behind the degree is to provide each student with a very broad background in the major academic areas of study that will prepare them to manage a ranch. However, it also includes a practical experience on a ranch during the summer between the two academic years that a student is enrolled in the program, as well as their entire fourth semester. While it is a non-thesis program, it does require a final project, which will be developed from the student's semester-long ranch experience.

KRIRM also enhances the curriculum with a unique series of lectureships and other extra-curricular experiences. These include the Dub Yarborough Lectureship on the Oil and Gas Industry, the John Armstrong Lectureship on Ranching as a Complex System, Richard M. Kleberg Jr. Lectureship on Landscape Ecology, Richard M. Kleberg Jr. Lectureship on Horse Management, B.K. "Kley" Johnson Jr. Lectureship on Current Ranching Issues, the Canales Lectureship on Law, and Kane Lectureship on Meat Processing. The students also have the opportunity to complete business management certificate programs from the University of Texas's Center for Professional Development and attend a variety of short courses and professional and industry meetings.

This new Master's of Science Degree in Ranch Management, coupled with the lectureships and extracurricular experiences, uniquely differentiates the graduates of the King Ranch Institute for Ranch Management program in the exciting field of ranch management.

Photo by Tom Urban  
*Wildlife of the King Ranch collection*



**KING RANCH INSTITUTE  
FOR RANCH MANAGEMENT**  
TEXAS A&M UNIVERSITY • KINGSVILLE

MSC 137  
Texas A&M University-Kingsville  
Kingsville, TX 78363-8202