

## Ranch Business Planning Challenges

- For people who are first-time ranch landowners or are starting a ranch-oriented business for the first time, making sound business planning and start-up decisions can be challenging.
- Evaluating land resources, business taxes, insurance needs and financial management are just a few of the aspects of managing a successful ranch business.

## AgriLife Extension's Response

In 2014, the Generation Next program was launched to address the growing need for an educational program aimed at first-time ranch landowners and people interested in starting a new ranch-based business. Business enterprises that can be started on ranch land range from traditional cattle, sheep and goat operations to many forms of ecotourism (or nature tourism).

- In 2017, the program implemented an online format to make it accessible to more people across the state.
- The 12-week program consists of one session per week. Topics covered during the first half



of the course include starting an agricultural business, business taxes, understanding insurance needs, financial management, evaluating land resources, and grazing and wildlife management leases.

- The second half of the course covers basic ranch laws, land management strategies, alternative business enterprises, and how to use measurable objectives to set goals for success.
- A primary goal of the course is for participants to develop and complete a formal, written business plan for their business. To facilitate this, smaller weekly activities build toward the completion of a business plan.
- In 2019, 90 participants managed or would soon manage a combined 180,000 acres of land.

## Economic Impacts

The economic benefits of Generation Next were measured in terms of the potential increase in net income that resulted from being in the program.

- By the end of the course, 64% of the participants completed their business plans and indicated they would not have completed a business plan without this course.
- Participants estimated an economic benefit of \$10,400 per ranch (\$5.00/acre), or \$934,000 annually for all who completed the 2019 Generation Next program.