



Factors contributing to the success or failure of Montana ranches
by John G Nye

A THESIS Submitted to the Graduate Committee in partial fulfillment of the requirement for the degree of Master of science in animal husbandry with a minor in agricultural economics
Montana State University
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Abstract:

The purpose of this study is to determine so accurately as possible the extent to which the various controllable, as well as uncontrollable, factors are responsible for the success or failure of Montana ranches. An attempt has been made to analyze operating costs and income as they affect ranch operations and management practices, and to indicate the practices which have proved most successful. This thesis was developed from secondary source material such as Agricultural experiment Station bulletins and additional data which are to be found in the files of the Department of agricultural Economics at Montana state college.

A careful study of the material at hand would seem to indicate that the most important factors which influence the success of Montana ranches are: 1. A definite long-time plan of operations for each Individual unit based upon the adaptability of the plant, and the type of production, as they are related to the physical environment.

2. Management and the ability of the operator to obtain: high calf and lamb crops, high yields per acre of farm crops for supplementary feed, high quality in his produce, and advantageous prices for his commodities.

3. Keeping a complete and accurate set of records, and planning a definite budget of expenses and Income.

4. Death loss in livestock must be held to a minimum.

5. The general price level of agricultural commodities, more particularly as compared with that of other commodities, is of importance. The writer has placed this factor last in the group of factors determining the financial outcome of Montana ranch operations, largely because it is less subject to the control of the operator.

It appears to the writer that the factors contributing to the success or failure of ranch operations rank in importance in the order named. It is essential that the operator give some attention to all of these factors if his ranching operations are to be successful.

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FACTORS CONTRIBUTING TO THE SUCCESS OR FAILURE OF
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Part I

INTRODUCTION AND HISTORICAL REVIEW

This thesis is primarily concerned with determining the factors which are most effective in influencing the success, or failure, of Montana ranches. Emphasis is placed upon an analysis of physical and economic forces which bear upon type and extent of operations practiced.

The data presented have been assembled from secondary sources. These are mostly published material of the Department of Agricultural Economics at Montana State College. Supplemental information was obtained from publications of the United States Department of Agriculture and the Production Credit Association.

There are five distinct periods in the development of agriculture within the State: First, the period of range cattle operations from the middle of the last century to 1910; second, the homestead era, pre-war and war-time period from 1910 to 1920 (30), marked by rapid expansion of dry land farming which was influenced by favorable moisture conditions and high prices; third, the readjustment period after the war from 1920 to 1925, during which time prices and moisture conditions dropped to a more normal level, reducing the number of farms and resulting in readjustment of farm values; fourth, the period from 1925 to 1932, characterized by increased technological improvements and mechanized dry-land farming which resulted in increased cultivated acreage per farm (30); fifth, the period from 1932 to the present

time during which an attempt is being made to plan agricultural operations and production on a long-time basis, emphasizing best use of the land and conservation of resources.

Early History of the Development of the Range
Industry in Montana

The development of Montana as a range territory began about the middle of the last century, or about the same time as her mining activities. In fact, the first important outlet for Montana's beef was to the miners. It was not, however, until about 1870 that the industry began to assume large proportions. At that time (1870), the Territory of Montana had 35,400 head of cattle of which approximately one-third was classified as dairy cattle and the other two-thirds as beef cattle (7).

In the early years of the industry, long-horned steers from Texas were trailed north to Montana, fattened on the range and then moved east to the market. Later, breeding stock from the southwest was brought into the state and by 1885 the total cattle numbers had reached 638,000 (7), indicating the rapidity of growth of Montana's beef cattle industry.

During the late seventies, cattle ranching became exceedingly popular and huge cattle companies were formed. These were financed by Eastern and European capital and the romantic, adventurous life of the "cowboy" became a stronger lure than had been that of the gold diggers in 1849. According to Hultz (9a), cattle were purchased sight unseen and on the "book-count" of the seller, which assumed no death loss and 100 per cent calf crop from the cows turned on the range.

Favorable moisture conditions made excellent pasture and the exceedingly mild winters experienced at that time enabled the stockmen to run their stock on the range the year round without the use of supplemental feed.

The very factors which made Montana an important range cattle producing state caused drastic losses in 1886. The unusually favorable conditions under which the range cattle industry had developed in the state led to undue optimism on the part of the cattlemen. By 1886, the herds had increased in many places to the point where grazing was barely sufficient for summer needs and the cattle went into the winter with an inadequate supply of feed. The severe winter of 1886-1887 caused terrific losses; hundreds of cattlemen were bankrupt when the winter was over, and the industry was badly crippled for nearly twenty years (27).

The drastic lesson of the winter of 1886-1887 did much to bring about changes in the slipshod methods of cattle ranching. The need for an adequate supply of winter feed, and increased control of range, both of which could best be effected on more moderate-sized, well-regulated ranches, became recognized. There followed a gradual break-up of the big outfits in favor of smaller concerns, with an increased tendency among ranchers toward controlling more of their range through land ownership and lease rather than to continue almost 100 per cent operation on Public Domain such as had been practiced previously.

The Government began an educational program, after the disastrous losses suffered during this period, to discourage over-grazing on the Public

