

## Ranch Business Planning Challenges

- For people who are first-time ranch landowners or are starting an agricultural-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 2015, 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 agriculture/nature tourism and niche market products.

- In 2017, the program implemented an expanded, 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 2021, 181 participants managed or would soon manage a combined 350,000 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 participating in the program.

- By the end of the course, participants were 90 percent confident that they will move forward with starting their new agricultural business developed throughout the course.
- Participants estimated an economic benefit of \$39,000 per ranch (\$19.00/acre), or \$7.1 million *annually* for all who completed the 2021 Generation Next program.