

Adding it **UP**

Sure, you understand how to get your animal ready for the show ring. But how does your budget for that project add up?

by CHRISTY COUCH LEE

You have a passion for livestock. You love to head out to the barn and do chores, and to see your animals grow and develop. You know what it takes to capture the purple in the show ring. But, are your finances in championship shape, too?

Jordan Ruppert, Witt, Ill., and Dusty Cain, Chariton, Iowa, have spent their lifetimes in the livestock industry, and they have built careers in the financial world, too. Both men say a strong understanding of budgeting and financial management is just as important as livestock knowledge for success in the show ring.

By preparing goals, planning ahead and staying within your means, they say you can find success with your livestock project and throughout your life.

getting their start.

Ruppert was born and raised on the family farm – Legacy Farms – where he and his family raise and exhibit registered Limousin cattle and farm 500 acres of corn and soybeans. He was active in state and national Limousin events, and served as the Illinois Limousin Junior Association president.

He earned an associate's degree in science from Lincoln Land Community College, where he participated on the livestock and meats judging teams, and then received a bachelor's degree in agribusiness economics from Southern Illinois University.

Today, Ruppert works as a loan officer at a local community bank, where he is responsible for facilitating loans for real estate, auto and farm purchases. In addition, he and his wife, Stephanie, are actively involved in the family operation, where he is responsible for the breeding, selection, showing and marketing of their herd, which now consists of 45 head of Limousin and Lim-Flex cattle.

Cain grew up on the family swine operation, Cain Hampshires, which is the largest recorder of



Hampshire genetics in the United States. He exhibited hogs through 4-H and FFA throughout Iowa and at the Ak-Sar-Ben as a youth.

Cain attended Graceland College, where he earned a bachelor's degree in accounting and business. Upon graduation, he worked first as a bank examiner, then as an agricultural loan officer for 10 years. Today, he and his wife, Kim, and their two children, Sydney and Austin, are back at the family farm. He works with his parents, Earl and Patty; and his brother, Lee, and his family; in all aspects of the operation, including advertising and marketing for Cain Hampshires and their boar stud, Cain Super Sires.

Ruppert and Cain both say they learned the value of money management and hard work from a young age.

early management.

Although Cain says he was fortunate to not pay money for his showpigs, as his parents gave him hogs each year, he did pay for them through hard work.

"Mom and dad had a way of motivating

us to work every single night, and that was to give us our 4-H and FFA pigs for free," he says.

For Ruppert, budgeting was the most beneficial skill he learned early in his cattle show career, he says.

"I learned that if you have \$2,000 for your project, don't spend all \$2,000 on the animal purchase," Ruppert says.

Aside from the expense of the animal itself, you can plan on feed being your largest expense, Cain and Ruppert say.

And, it's wise to prepare for the unexpected, Ruppert adds. Sickness can lead to unexpected vet bills and medicine. Breeding a heifer includes costs. And, he says, with anything that has a heartbeat, death is an unfortunate reality.

So, how is a person to prepare for the unexpected? Develop a plan and stick to it, they say.

get it in writing.

The most critical first step to beginning a livestock project is to determine your

direction and get it on paper, Ruppert says.

"If you want to show steers, you can prepare a different budget than if you want to breed livestock and raise show progeny," he says. "You need to figure out where you want to go, and where you want to be 10 years down the road."

Budgeting for breeding stock is much more intense than for market animals, Ruppert says. In addition to feed and unexpected medical expenses, you must also budget in the costs of artificial insemination (AI) or transporting your female to a bull, boar or ram for breeding.

Ruppert recommends developing a relationship with your local banker early, and determine if loans are needed to help you achieve your goals.

"If you want 10 cows or hogs, how will you get that? Rome wasn't built in a day," Ruppert says. "It takes a lot of time and money. But, if you can start out small and get two or three paid for, then you can purchase another three. You must have your assets working for you."

How Can I Save? LET ME COUNT THE WAYS

Livestock projects are more than just animals. And with a little preparation, you can discover savings in every aspect of the project, Ruppert and Cain say.

buy it right.

By developing a relationship with breeders and doing your homework, you can find cost savings in your animal purchase, they say.

Cain says most breeders will price animals at a variety of levels – hogs for \$150 to \$2,500. By developing a relationship with a breeder, and purchasing from that breeder year after year, you may see cost savings down the road, he says.

"Build a relationship with a breeder," Cain says. "Most of the time, when you become a repeat customer, the breeder may give you, say, a \$350 pig for \$250. He'll want to give you every opportunity to succeed. But, he probably won't do that on the first purchase."

Ruppert says if you're interested in building a breeding program, spending a bit extra on a high-quality female can be justified.

"It's okay to spend a little extra on a female with a good genetic heritage," he says. "It's okay to spend a little extra money on a good brood cow, versus buying an average one that produces an average calf."

Ruppert also recommends avoiding the hype.

"Don't get all wrapped up about buying from a certain person, because everyone says this is the person to buy from," Ruppert says. "There are many great breeders who don't market as intensively, but who have the same or better product."

what's in the feed?

Cain says you can't underestimate the value of feeding, but you must also spend within your means.

"The pig's initial quality is 50-60 percent, and the remaining success you'll have with a hog is found in the feed bucket," he says. "Don't be a cheapskate. Feeding is not the place to cut corners."

The brand of feed isn't as critical as ensuring your feed is fresh and the proper ration, Cain says.

"Don't go to the local co-op and buy an \$8 bag of feed, when your pig needs an 18-20 percent ration," he says. "You don't have to get caught up in all the additives and buckets and this and that. But, buy a solid, complete ration and go with it."

Ruppert recommends doing your research to determine the best nutrition program for your animal.

"With the internet, you can research the exact rations of the feed of all feed companies," he says. "Figure out what will work best for you, and compare costs."

Additives have their place, Ruppert says. However, feeding numerous additives can be extra expense, and the benefits of several may overlap.

“You must determine how much it costs per day, and if that extra cost will be worth the gain,” he says. “If you can utilize one, do it. Get the most bang for your buck.”

fit to be thrifty.

Cain and Ruppert say it's easy to get caught up in hype surrounding the latest products to hit the market. But, you can be an effective fitter on a low budget, they say.

Ruppert recommends watching fitters you admire, and asking questions about their tools and techniques. But, he says, it's not necessary – or smart – to purchase every item in their show box immediately.

“Don't go out and purchase everything – especially if you're just starting out,” he says. “That can throw off your budget. Buy one product, get comfortable with it, and then move on to the next product.”

Ruppert says a cattle showman can incur great expense on show day by hiring fitters. He believes the most important work happens at home. By teaching yourself fitting techniques, you can fit your cattle and save hundreds of dollars a year.

“So much happens at home,” Ruppert says. “And, many people don't take the time to work with an animal at home, before the show. Get your hands on your animal, and practice fitting at home or the county fair before the state fair, so you're comfortable when show day comes.”

When it comes to fitting hogs, Cain says, you can get by with very little expense.

“You can buy fancy soap, a fancy whip and an expensive aluminum show box,” he says. “Or you can buy everything you need for less than \$50 – buckets, soap and a show pipe. I go to Menard's and spend \$4 on a 30-inch water pipe to use in the show ring.”

utilizing utilities.

Water, electricity and facilities can add up in your budget, Cain and Ruppert say. However, you can discover great savings in these areas, too.

Although many market steer exhibitors believe a cooler is an essential tool, Ruppert says, it can put a great dent

in your budget.

“We just run turbo fans, and that leads to \$300-\$350 month in electricity,” he says. “Maybe you can talk to your parents about doing extra chores to offset costs.”

And, if you utilize foggers or misters with your fan, Ruppert says, consider using a timer.

“An animal doesn't need a mist on constantly,” he says. “By using a timer, you can eliminate some of your water bill, as well.”

Cain says a swine showman can make do with little expense in facilities.

“You can use an old barn,” Cain says. “If you're showing in the summer, find the coolest spot possible, and put a pen in there. Then, your only expense should be water.”

travel smart.

When creating a budget, Ruppert and Cain say, allow for travel expenses for shows – fuel, lodging and meals.

Ruppert says when traveling to a national show several hours from home, consider connecting with a breeder at a halfway point.

“If you have to travel 24 hours, divide up 12 and 12, and set up to lay over at someone's farm,” he says. “Lots of livestock people are willing to help each other out there, and there's no extra hotel expense.”

By pairing up with another livestock family, you can share fuel expenses by only taking one truck and trailer, versus two, Cain says.

As for lodging rates, do your homework, Cain suggests.

“Whether you're going on vacation or going to a hog show, shop around and get a close motel that's not too expensive,” he says. “Try to be conservative, and try to save a penny when you can. That's the way we are every day.”

Taking a cooler and slow cooker for meals at a show can help a family save \$75-\$100 in food expenses daily, Ruppert says.

“I always make fun of my mom when we drag 14 coolers to a show, but it saves us quite a bit of money – especially for a week-long show,” he says.

And, Ruppert says, make do with the rig you have, when possible. You don't need the nicest truck or trailer in the lot at the show to do well in the show ring.

“What does it matter what you show up in?” he asks. “What you drag out of the trailer is the most important thing.”

In addition to budgeting and money-saving skills, financial planning can be a critical skill to carry you through life.

get some credit.

Cain says learning to manage a checking account is a great skill to acquire early in life.

“As a former banker, I encourage everyone to learn to balance a checking account,” he says. “Know to the penny how much money you have.”

Ruppert recommends you carefully review your check register, and ensure each check written comes through your account. In addition, he encourages parents to use a checking account as an opportunity to teach a child about money management.

“Have your parents show you how it's done, and help you track your account for a few months,” he says.

Ruppert also recommends always maintaining a balance of at least \$100. And, he says, never write a bad check.

“In addition to the bank fees, a returned check appears as a negative credit,” he says. “It shows that you can't handle a checking account, and may show to a loan officer how you may handle a loan.”

Credit scores are critical for financial success, Ruppert says. And he recommends a few methods to building good credit.

One option, he says, is to purchase an animal through a loan at your local bank, with your parents cosigning the loan for you.

“If you purchase heifer with the loan, once she has a calf, you can pay that loan off,” Ruppert says. “This is a great way to build credit, in addition to building a relationship with your local bank.”

Credit cards are another tool of building credit, he says. However, he says, they should be used with caution.

Jordan Ruppert, Witt, Ill., and Dusty Cain, Chariton, Iowa, have a lifetime of knowledge in the livestock and financial worlds. They offer these tips for creating a winning livestock budget.

Dollars and Cents

FROM THE EXPERTS

1. **Stick to it.** Cain says the No. 1 financial skill is to develop a budget and then stay within it. “That’s the biggest thing,” he says. “Have the budget created before you purchase your animal, then stay within that budget.”

2. **Mom and dad know best.** Ruppert says your parents, if they have shown livestock, have a good idea of the costs involved with a livestock project. “Your parents can be your greatest asset and research tool in helping you develop your budget,” he says.

3. **Your feed rep can help.** Ruppert and Cain recommend visiting with your feed representative to determine how much he or she believes you’ll spend on feed. “Determine how much you’ll need to spend to get your animal prepared for the show and/or into production,” Ruppert says.

4. **Add it up.** Determine which shows you plan to attend during the year, and how many days you’ll be gone, Ruppert says. “Research how many days and nights you’ll be away for each show, and how much you’ll be spending on hotels and fuel,” he says. “Then, budget accordingly.”

5. **Talk with the experts.** Ruppert recommends visiting with someone you’re comfortable with in the financial world – a business teacher, a loan officer or a Farm Service Agency representative, for example. “They can help you determine your budget,” he says. “They can help you determine if you need a loan to get started, and if so, how much; and how you’ll be able to pay the loan back.”

6. **Need or want?** “We’re a country that if we see it, we’ve got to have it,” Ruppert says. “We must separate needs from wants. Before you purchase, make sure it’s something that you need in order to make your project go smoothly, compared to something you just want.”

first photo: Dusty Cain, left, accepts an award on behalf of Cain Super Sires for Champion Hampshire Boar at 2011 Winter Type Conference in Perry, Ga.; second photo: Jordan Ruppert, and his wife, Stephanie, are active in Legacy Farms, their family’s registered Limousin cattle operation.



“My parents got a credit card with me, but it wasn’t to go shopping with,” Ruppert says. “We used it for fuel and food on the road, and I made sure it was paid off each month, so that it didn’t gain interest. This is an easy, simple way to gain credit without much hassle, and it can help your credit score quite a bit.”

keep your eye on the prize.

Of course, the greatest method of saving money is to put it away. Ruppert says he understands how difficult this can be as a young adult, but it can be done.

When Ruppert was in high school, he says, he took a part time job to support his livestock projects.

“Whatever extra money I had from that, I put aside,” he says.

Cain recommends you establish a goal for a monthly savings account deposit.

“I encourage young people to set a goal for saving, for example, \$20 per month,” he says. “You will be surprised how fast your savings account will add up.”

Ruppert recommends you open a one-year CD once significant amount – for example, \$1,000 – has been accumulated.

“You can’t touch it for one year,” he says. “Once you get

through the year, you may discover you don’t need that \$1,000, and you can roll it over again. CDs are safe and secure, and in an emergency, you can get to your money right away.”

skills for a lifetime.

Ruppert says livestock projects can help youth develop money management skills that society, as a whole, lacks.

“I see it every day in the banking industry: the mismanagement of funds and overdraft fees adding up; people getting behind on loan payments and having vehicles repossessed,” he says. “If you develop a good budget and stick with one when you’re young, that will carry you through life and help you tremendously every day.”

Cain says budgeting is a skill that will last a lifetime – whether for a farm or a household.

“Nine times out of 10, when someone has financial difficulty, they’ve never made a budget,” he says. “When you’re fiscally responsible, you know how to make a budget, and you never have a problem.”

By taking the passion you have for your livestock project and applying it to your budget, you’re sure to find the winning combination to add up to success, today and into your future.