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# Factors to Consider Before Establishing an Alaska Livestock Enterprise

There are many factors to consider before establishing a livestock enterprise in Alaska. The most important consideration is what goals you want to fulfill by raising animals. Some people want to establish a profitable farming or ranching business, increase the value of feeds through livestock or utilize otherwise wasted feeds; others want to use the enterprise as a hobby, a child's project or chores, or a "trial run" to see if it is something they want to do on a more permanent basis. Regardless of the reason, careful thought and planning can help avert an unpleasant experience later.

## LAND

Although Alaska has millions of acres, only a small percentage of land is adaptable to farming. Most Alaska land is held by Native corporations or local, state or federal governments. When land is sold, the cost may be high. Clearing and development costs must be added, which may be high because it is usually necessary to remove heavy existing vegetation and fertilize the newly cleared

lands. Roads and utilities are often not available for several years in new agricultural areas. Grazing leases are seldom available and may be on lands with limited accessibility.

## **MARKETS**

In Alaska, available markets dictate the feasibility and economics of most livestock enterprises. At best, you may have only two slaughter houses to which you can sell animals, and the closest may be 200 miles or more from your farm. In the past, there have been periods when no state-inspected slaughter facilities were available in Alaska. Because the state's animal industry is small, it is sometimes difficult for processors to maintain a steady supply of quality meat to the retail trade; this results in a market inconsistency, which complicates business for all concerned. Some animals are sold privately and then slaughtered on the farm or at home by the buyer. While such sales provide some outlet, the potential is small and there are risks involved for both parties. Careful study of the market potential should be one of the first steps in

your decision-making process.



Assuming you are concerned with making a profit, or at least minimizing losses, you must consider the economics of the intended enterprise. In simple terms, this means comparing costs to returns. Not all returns will be monetary. It is impossible to assign a value to the aesthetic pleasure of working with animals and just having them around. Consequently, we will not attempt to deal with that aspect; rather, we will focus on the real costs and returns you could expect.

In any market there are "niches" that can be filled by a few enterprising producers. In these cases, their product is usually unique and often demands a higher than normal price. It should



be emphasized that these are fragile markets, and they are easily flooded by the entry of too many producers. You must also understand that the vast majority of livestock will sell at prevailing market prices and only a few command a premium. Always use average or lower prices to estimate returns and average-to-higher prices to estimate costs. The key is to be realistic and conservative. If it turns out more lucrative than you planned, so much the better. Most people fail to include all of the costs associated with a given enterprise. Items such as depreciation and repairs, utilities and insurance are real expenses and must ultimately be paid from some source of income.

Financing for livestock enterprises is often difficult to find in Alaska. The state currently operates a revolving loan fund which, in the past, has provided money for such undertakings. You should include your banker early in the planning of the livestock operation. Find out what the banker's experience has been with other farmers and ranchers, what they will expect of you and what you can expect of them. Borrow as much as you need and can afford, but no more. Remember, no one ever borrowed his way out of debt, and even "cheap money" must be paid back.

## **KNOWLEDGE OF THE BUSINESS**

The worst mistake you can make is to jump into a live-stock enterprise in a big way without having the knowledge and training you need to insure a reasonable chance of success. Some, but certainly not all, such knowledge can be found in books; however, there is no substitute for hands-on experience obtained by being directly involved with the kind of animals you wish to raise. The key is to start with enough animals to get a real feel for the business without getting so many that failure could cause financial hardship.

Not only do you need to have a good working knowledge of the animals involved, but you need knowledge of the environment in which they will live and the types of housing and equipment to be used. For example, six hogs fed out of a bucket, housed in an open lot with a small shelter and kept only through the summer months are quite different than 2,000 hogs kept year-round in an environmentally controlled, fully automated building. Problems increase and become more complex as the number of animals increases and you take them farther away from their natural environment.

Perhaps equally important as having a good working knowledge of a livestock enterprise is having access to others with expertise. Such people include researchers and Extension agents and specialists, veterinarians, nutritionists, engineers and, perhaps most important, other farmers and ranchers with years of experience in similar



Several varieties of barley, both covered and hulless, have been developed in Alaska. Producers can expect yields of a ton to the acre in good years if proper cultural practices are followed.

locations. No one can be expected to know everything, and new problems always arise, but having a pool of others with which to consult is invaluable.

#### **FEED**

Probably next in importance is the availability of a dependable, economical feed supply. Regardless of the type of feed needed, it must be of adequate quality to produce the desired results and be readily available at an affordable price.

- Dry hay is sometimes difficult to make or find because of wet weather during haying season.
- Hay that has been wet may be moldy, thus lowering its quality and making it a potentially hazardous feed.
- The cost of good, dry hay is often high because of heavy demand.

Other problems may exist with Alaska feeds as well.

- Grazing seasons are short in most areas of the state, a factor that increases the need for preserved forages.
- Protein supplements from marine by-products are of high quality but must sometimes be limited in the diet and are usually expensive.
- Other protein, mineral and vitamin supplements must be imported and, again, are often priced high.
- Grazing lands are limited.

This is not to say that high quality and even economical diets cannot be formulated in Alaska, but the choices are more limited than in most states, and the price is usually higher.

## **VETERINARIAN AND MEDICAL**

All livestock operations, regardless of the size, occasionally need veterinary services and medications. While small animal vets can be found in most heavily populated areas of the state, very few work with large animals. In addition, medications for livestock are often difficult to find and may have to be ordered from pharmaceutical houses outside the state. Alaska livestock owners frequently find they have to make decisions and take actions concerning animal health on their own. This can be a major consideration and one that can be disastrous in a livestock enterprise if the owner is unprepared.

## SHELTER

Shelter is an obvious consideration in raising animals in Alaska. The chilling, windy, wet climate of coastal areas can be more of a problem than the extreme cold of Interior Alaska. Animals vary widely in their ability to deal with cold stress. Chickens and turkeys need housing that is dry, draft-free and warmer than 0°F. Geese, on the other hand, can adjust their basal metabolic rate to cope with temperatures as low as minus 100°F. Swine require about the same shelter considerations as chickens, although the mechanical design would be significantly different. Baby chicks and piglets need dry, draft-free areas with temperatures between 65° and 95°F. Most other animals can handle nearly any of the temperature fluctuations found in the state as long as they can remain dry and out of the wind. A common mistake is to construct livestock housing that is too air-tight and too warm. This leads to moisture-laden, stale air and wide temperature variations as the animals move in and out of the structure. Chilling and respiratory problems often result from such a situation.

Livestock housing must be designed and constructed to meet the needs of the animals, be convenient for the owner, allow for efficient production and be as economical as possible. The facility may be simple and inexpensive or complex and costly, depending on the animal's needs, the owner's wishes and money available. A simple windbreak or a grove of trees may be all that is needed for cattle and sheep in some areas, while in other parts of the state much more elaborate facilities may be required. Regardless of the area or the species, you should plan on at least one building that can be heated and will accommodate a small percentage of your herd during times of illness, injury or birth.

## **AVAILABILITY OF BREEDING STOCK**

Acquisition of breeding stock is an important consideration in any reproductive animal enterprise. It is especially critical in Alaska, where limited numbers of farmers and ranchers sell quality breeding animals. When larger numbers of such stock are needed, they must be imported. Air or barge shipment from other states or countries is expensive. Many breeding animals have been purchased from Canadian breeders, resulting in a shorter shipping distance, which helps lower the cost. Check with the office of the state veterianarian for regulations on importing livestock.

Reputable breeders stand behind the animals they sell, are anxious to see customers succeed and are most willing to cooperate in any way they can to help insure success. Long distances make cooperation more difficult and expensive and remove you from an excellent source of help and information. This consideration is important should you experience problems with an animal or group of animals.

The absence of large numbers of breeding stock in the state impacts the degree to which producers can select and cull animals from their herds. In areas where stock is readily available, rapid genetic progress can be made within a herd by a rigorous selection and culling program. In Alaska, the difficulty and expense of acquiring replacements makes the process much more impractical. As animal numbers increase within the state, this problem will diminish. In the meantime, artificial insemination and embryo transplants may offer viable alternatives for producers. Low animal numbers also make the feasibility of producing breeding animals for resale questionable, and you would be wise to study such a venture closely before embarking upon it.

#### **LABOR**

Some livestock enterprises are much more labor intensive than others, and labor requirements for some are seasonal in nature. Laborers with previous animal experience may be hard to find and likely will be expensive in Alaska. On the other hand, livestock operations which require extra labor during the winter months can provide needed work for hands who are otherwise only needed during the cropping season. Most farms and ranches, unless they are very large, can be operated by a family, and little, if any, hired labor is needed; however, such operations are seldom successful without a strong commitment and involvement by all family members.

#### **EQUIPMENT**

Equipment and fences needed for the care, handling and feeding of animals can be simple or extensive, depending on the situation; however, personal safety and that of the animals should be of major concern. Nothing makes handling animals easier or safer than proper use of appropriate equipment. Larger numbers of animals require, and probably justify, the investment in more extensive equipment. Good equipment also reduces the labor needed to handle livestock; nonetheless, avoid the tendency to overmechanize. It is easy to tie up thousands of dollars in such facilities. Each investment should be studied to determine the savings versus the cost over its useful life. Labor-saving devices can be economically justified only if the time they save can be used to generate more income than the cost of owning the equipment.

Keep in mind that the resale value for used livestock equipment is usually low and the more specialized it is, the smaller the market. You would do well to design and purchase buildings and equipment as flexible in their use as possible.

Automated feeding and manure handling equipment is expensive and often does not work well in Alaska's cold winter weather. Think about alternatives better suited to cold climates or economical ways to keep such equipment from freezing. If you start small and build animal numbers over a period of years, give some thought as to how buildings and equipment can be designed to be expanded rather than discarded and replaced as your operation grows. Excellent reference material, plans and materials lists are available from your local Extension office.

#### **DEAD ANIMAL DISPOSAL**

There are no animal rendering plants in Alaska, so the disposal of dead animals can be a serious problem. Many such animals are given or sold to dog mushers; sometimes commercial fishermen are interested in them for crab bait. This does not create a problem as long as the cause of death is not communicable and it does not violate local, state or federal laws. If there is any doubt, you should check the regulations and have a vet do a postmortem examination and burn or bury the carcass. It is not a good practice to simply drag the carcass off for the wild carnivores to consume.

## **SUMMARY**

Establishing a commercial livestock enterprise in Alaska is a major undertaking and should be carefully and realistically planned. It is important not only for your safety, financial success and peace of mind but also for the well-being of the animals as well.

This publication is intended to make you think about the more important points to consider before attempting to establish an Alaska livestock enterprise. It by no means covers all of the concerns you may have, nor does it attempt to address the technical problems you will face as a livestock producer. It is one of an extensive series on keeping livestock in Alaska. For more detailed information, ask your Extension agent for material that addresses your specific concerns.

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