



\*\* This news release from K-State Research and Extension is available online <https://ksre-learn.com/ranch-budgeting>

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### **Cattle Chat: Budgeting on the ranch**

K-State agricultural economist Dustin Pendell shares how to use a budget in decision-making

*By Lisa Moser, K-State Research and Extension news service*

MANHATTAN, Kan. — Budgeting is a strategy that many people use to make sure they are living within their means. Oftentimes when considering a big expense, folks refer to the budget to see if they can afford that investment.

In a beef cattle operation, it is important to follow a budget, but there are different types to consider, according to Kansas State University Beef Cattle Institute agricultural economist Dustin Pendell, speaking on a recent [Cattle Chat](#) podcast.

“There are all kinds of budgets that can help producers plan, from a cash flow budget to an enterprise budget to a partial budget,” Pendell said.

He said a cash flow budget is simply tracking how much money is coming in and how much is going out.

One of the budgets he recommends for beef producers is an enterprise budget.

“With an enterprise budget you are thinking about all the revenues, including potential revenues and potential costs related to the operation,” Pendell said. “Oftentimes a banker will want to see this type of budget when deciding whether or not to grant an operating note.”

Another option is a partial budget, Pendell said. He recommends this one for producers who are planning to make a change to the operation.

“A partial budget helps producers estimate the cost and potential revenue of making that change,” Pendell said. “With a partial budget, you don’t need to list every single revenue source and expense; instead, you just collect the additional data and prices related to that change.”

When making a cow-calf budget, K-State beef cattle nutritionist Phillip Lancaster encouraged producers to spend time estimating the forage production and grazing potential for the year ahead.

“Use your records to help you plan what the forage availability in the year ahead will be, and think about how much moisture is being predicted for your area,” Lancaster said.

To hear the full discussion, listen to [Cattle Chat](#) on your preferred streaming platform.

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**FOR PRINT PUBLICATIONS:** Links used in this story Beef Cattle Institute Cattle Chat podcast, <https://ksre-learn.com/cattle-chat-ranch-budget>

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**Story by:**

Lisa Moser  
785-532-2010  
[lmoser@ksu.edu](mailto:lmoser@ksu.edu)

**More information:**

Phillip Lancaster  
785-532-6323  
[palancaster@vet.k-state.edu](mailto:palancaster@vet.k-state.edu)

Dustin Pendell  
785-532-3525  
[dpendell@ksu.edu](mailto:dpendell@ksu.edu)