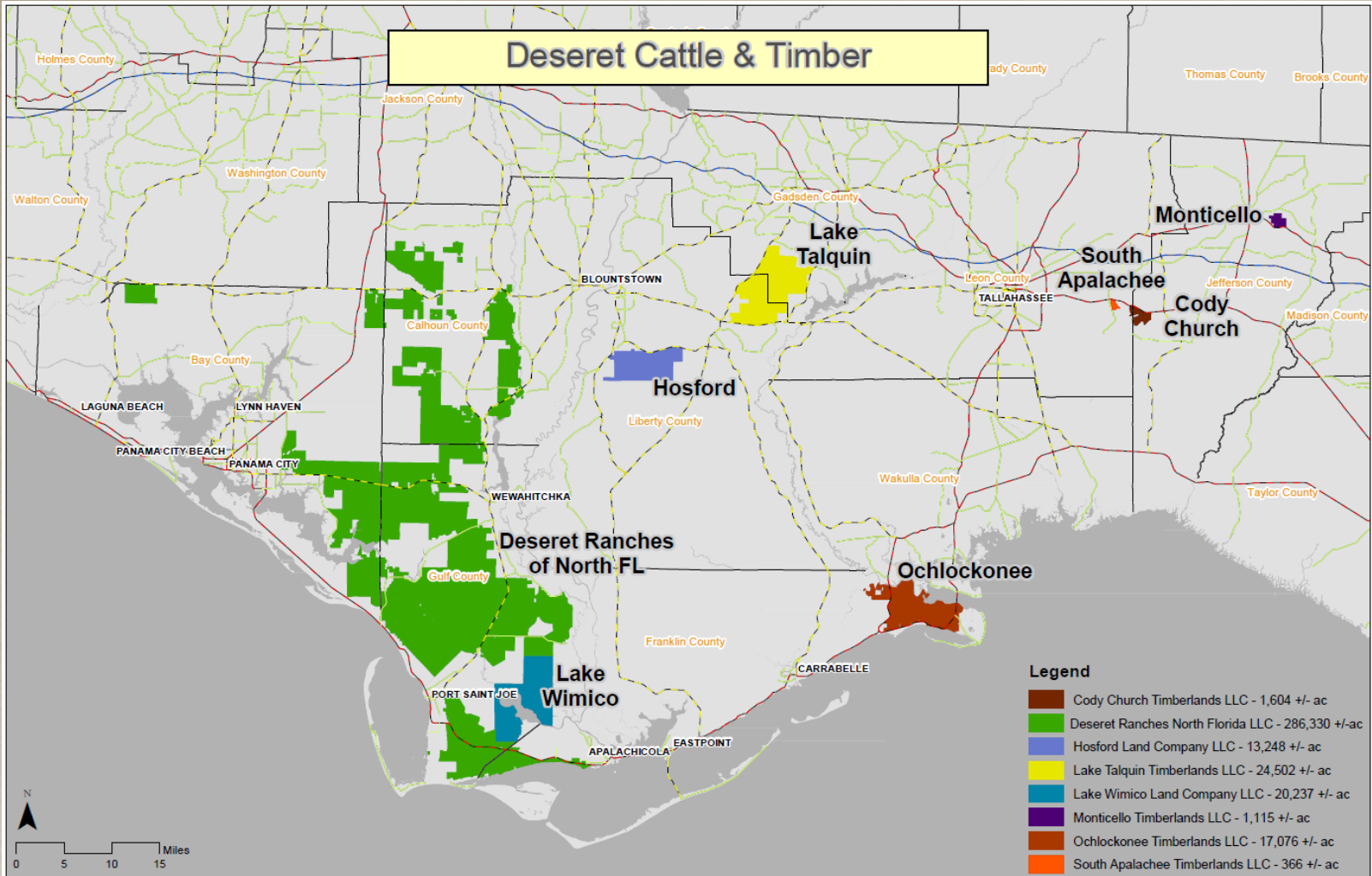


Diversifying Ranching Operations

Northwest Florida Beef Conference
February 13, 2019



Deseret Cattle & Timber





President
Gordon B. Hinckley
General Conference
April 1991

“Prudent management requires that [the reserves of the Church] be put to use. ... We have felt that good farms, over a long period, represent a safe investment where the assets of the Church may be preserved and enhanced, while at the same time they are available as an agricultural resource to feed people should there come a time of need.”



Core Values

- Preparedness Ready
- Land Based
- Performance Motivated
- Customer Focused
- People Centered
- Sustainable Producers
- Engaged Citizens



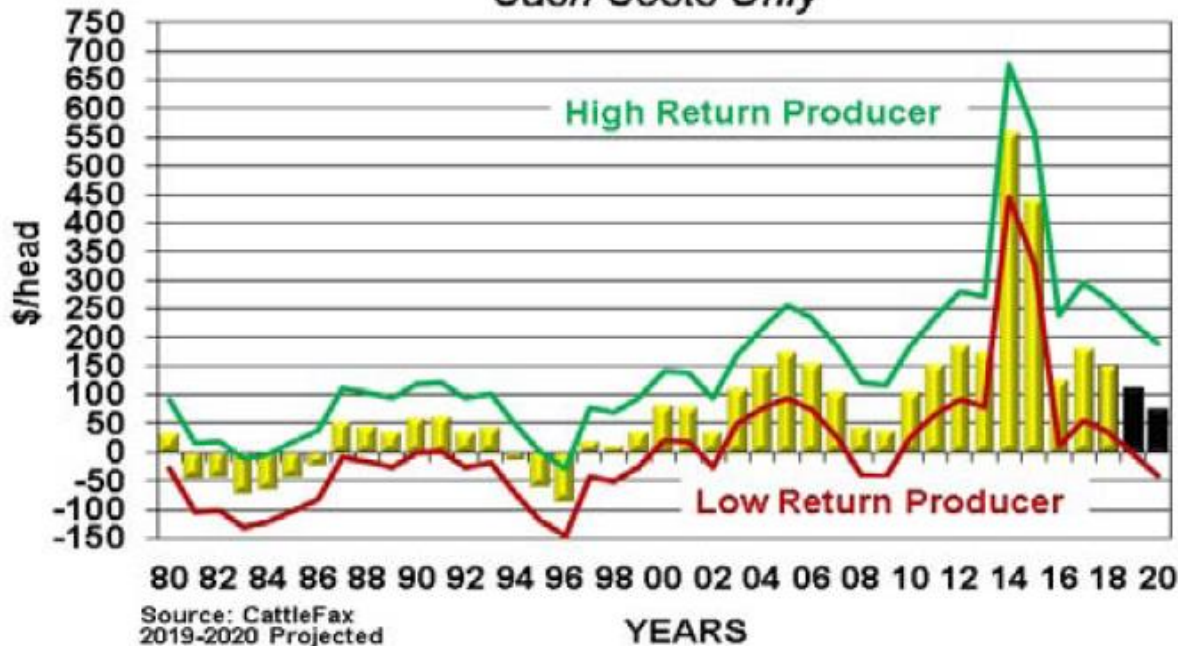
Three Key Enterprises

- **Cattle**
 - Growing enterprise with 3000 head currently
 - Establish perennial pasture behind plantation pine clearcuts
 - Market the cattle through Deseret's feedyard in Kansas
- **Timber**
 - 5 full time contract harvest crews
 - 30,000 loads of timber marketed annually
 - Replant clearcut acres best suited for plantation pine
- **Wildlife**
 - 90 hunt clubs, 1071 hunt club members
 - Managed wildlife: White-tailed Deer and Eastern Wild Turkey
 - Monitor critical species habitat and populations



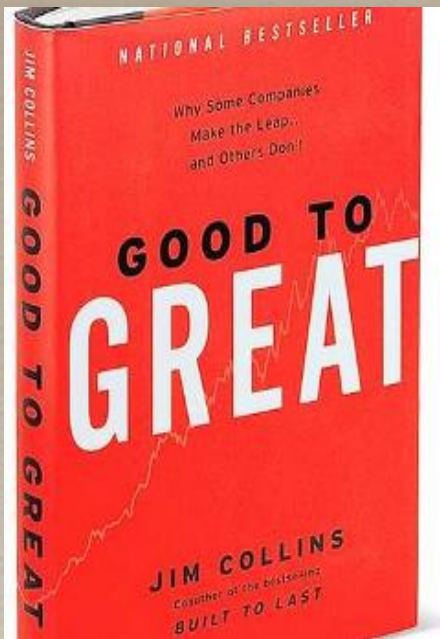
Why Diversification?

Average Cow/Calf Profit (Loss)
Cash Costs Only



- Fluctuating calf prices
- Weather challenges
- High % of fixed costs
- Rising business costs
- Market uncertainty

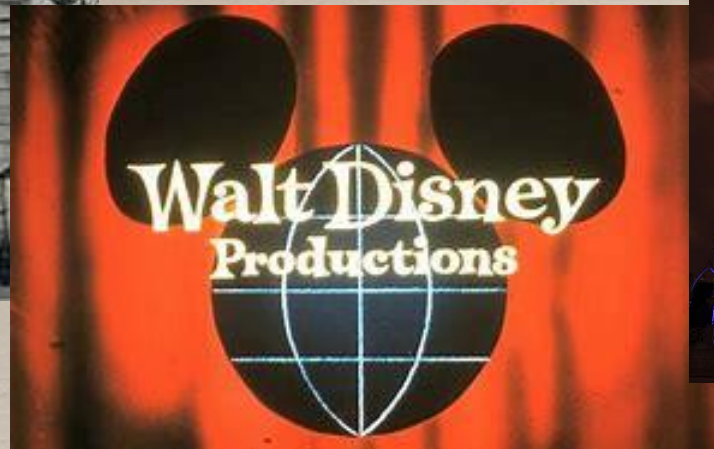




“Enduring great companies
preserve their core values and
purpose while their business
strategies and operating practices
endlessly adapt to a changing world.”



Walt Disney



“To Bring Happiness to Millions, Especially Children”



What Governs Diversification

1. Is the new enterprise consistent with our core values
2. Does the enterprise compliment existing operations
3. Is it sustainable
4. Is the return worth the cost



Developing a Competitive Advantage

- Diversification varies from one ranch to the next
- Leverage what makes your ranch unique
- Spread out market risk
- Choose complimentary businesses
- Develop what you can manage



Utilize Expert Resources

As we move into diversified enterprises we need to take advantage of expert resources:

- Fish and Wildlife Commission
- Florida Forestry Service
- IFAS
- Consultants
- Neighbors
- Strategic Partnerships



“When [what you are deeply passionate about, what you can be best in the world at and what drives your economic engine (*margin per acre*)] come together, not only does your work move toward greatness, but so does your life. For in the end, it is impossible to have a great life unless it is a meaningful life. And it is very difficult to have a meaningful life without meaningful work.”

Good to Great; Jim Collins

