Kahua Ranch:

A Profitable and Sustainable Approach

by ***Kim Holt***

On the green slopes of the Big Island's Kohala Mountain is the family-owned and -operated Kahua Ranch, one of the oldest operations headquartered in Hawaii.

Monty Richards is the family patriarch, and it was his uncle, Atherton Richards, who bought the rolling lush grasslands on North Kohala Mountain in 1928 with his partner Ronald von Holt.

The Big Island's North Kohala area is the oldest, most rural part of the island, with deep, rich soils, consistent rainfall and carrying capacity for ample head of cattle. It's here that the Richards family has diversified their operation for the end goal of profitability and sustainability.

Big Island BEEF

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Commercial cow-calf production is the Richards family's foundation, but they also produce grass-fed lamb and farm crops, operate a renewable energy enterprise, ATV dealership and repair shop, and a retail store where they feature Kahua grass-fed beef and lamb and ranch logo wear.

Kahua also welcomes visitors to its working ranch each year for activities that include ranch tours by trail ride, ATV or tram and an evening paniolo — a Hawaiian term for cowboy — dinner.

Explaining the reason for blending old traditions with new innovations, veterinarian Tim Richards, Monty's eldest son, says, "As the families have grown we have needed to find other income streams that were still in line with the foundation of the ranch and its agricultural base."

PHOTO BY KIM HOLT

►Brothers Tim (right) and John Richards manage the operations of Kahua Ranch. Sustainability is important to this family, and John says it comes at many different levels, including environmentally and financially. "What it comes down to is being able to maintain a balance necessary to keep going day to day, year after year, and century after century."

Profit-minded innovations

Monty, Kahua's chairman, was born on the ranch. A third-generation rancher and Cal Poly graduate, at age 27 Monty assumed all ranch responsibilities from his uncle, whose partner had passed away at an early age.

As an innovator, Monty's belief has been that ranching can take different forms. In the early 1960s he began introducing new genetics to Kahua through artificial insemination (AI), even before it was a recognized mainstream practice. He's served on numerous boards of directors, including that of The Nature Conservancy of Hawaii, and was the driving force to bring alternative energy to the ranch.

Pono von Holt, whose father was a founding partner, joined Monty as a partner at Kahua in 1972. Some 10 years later, the two implemented a high-density rotational grazing system, which allowed them to double Kahua's herd size.

As the Richards and von Holt families grew, Kahua was split in 1980 to form the Ponoholo Ranch, which is owned and managed by Pono and his family. Ponoholo is one of the largest commercial cow-calf outfits in the U.S. As neighbors just across the fence, Tim comments, "We say with a smile that our two families do different things together."

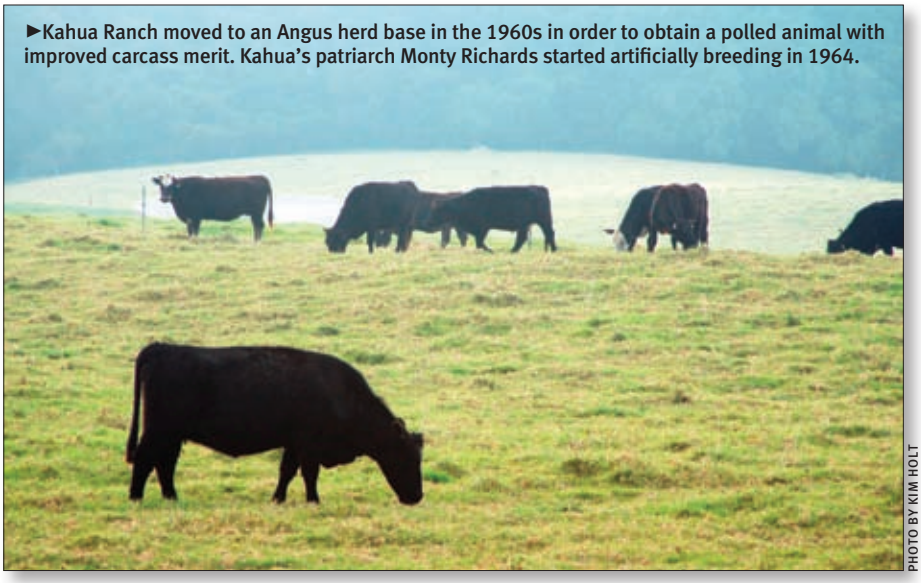
Recently, Monty passed Kahua's management and operational responsibilities on to sons Tim and John. Both are Washington State University graduates, sixth-generation Hawaiians and fourth-generation agriculturists.

Tim is Kahua's president and general manager and a partner in a Waimea mixed animal practice. His professional focus is livestock medicine and the herd-health management of Big Island ranches, including nearby Parker Ranch and Ponoholo.

As the ranch's operations manager, John oversees the machines — ATVs, UTVs and RUVs — that help run the ranch, as well as a Kawasaki dealership and full-service mechanics shop. He also manages the visitor activities the ranch has made publicly available since the early 1980s (see "A working ranch that welcomes visitors").

High-quality beef production

At 4,000 head, Kahua's cattle numbers make it one of the largest commercial cow-calf operations in the U.S. Kahua operates two ranch properties, with a combined grazing of 22,000 acres. Just under half of



►Kahua Ranch moved to an Angus herd base in the 1960s in order to obtain a polled animal with improved carcass merit. Kahua's patriarch Monty Richards started artificially breeding in 1964.

PHOTO BY KIM HOLT

these acres are on the western slope of the Kohala Mountains at 3,200 feet (ft.) elevation, receiving an average 55 inches (in.) of rain.

This family's goal is to raise high-quality beef animals that will achieve quality grades in the upper two-thirds of Choice or better.

Kahua's herd was originally Hereford-based, but they moved it toward Angus in the 1960s to obtain a polled animal and improve carcass merit. Charolais were introduced in the late 1970s to add hybrid vigor and to obtain the trademark smoky terminal crossbred calves.

More recently Kahua added Wagyu, initially for an easy-calving heifer program and a highly finished meat product. The ranch now has a certified purebred Wagyu herd from which it raises and finishes Kobe beef for an exclusive clientele. Kahua is also working on a half-blood branded Wagyu program with Parker and Ponoholo that will turn out a combination of grass- and grain-fed calves.

Similar to Parker and Ponoholo, Kahua raises its own bulls, bred through AI, for use in their commercial herds. Their registry of performance — ROP — herds aren't necessarily registered cattle, but they are purebreds measured for performance.

Foundation Angus purebreds were purchased from a Maui herd and then expanded over time through AI; the Charolais were imported from Nebraska. For more than 40 years Kahua has also maintained a purebred Hereford line as a base stock for obtaining maternal crossbred females.

Currently about 75% of Kahua's calf crop is retained and shipped to the mainland in "cowtainers" for backgrounding and finishing. These calves are all age- and source-verified and targeted for the Ranchers Renaissance and Country Natural Beef programs.

Tim says that Kahua is expanding its local marketing for grass-fed beef — they're marketing 10 times more today vs. four years ago — but they have hit a bottleneck in the processing phase because of limited local harvest capacity. He cites this and transportation as two of this ranch's biggest challenges.

On the flip side, though, he says one of the biggest advantages to raising beef in Hawaii is the relatively low cost of producing a calf. Their ace in the hole is year-round grazing and rainfall.

Ample, managed green grass

Kahua rangelands start in the rain forest at 4,500 ft. and go down to sea level, all within

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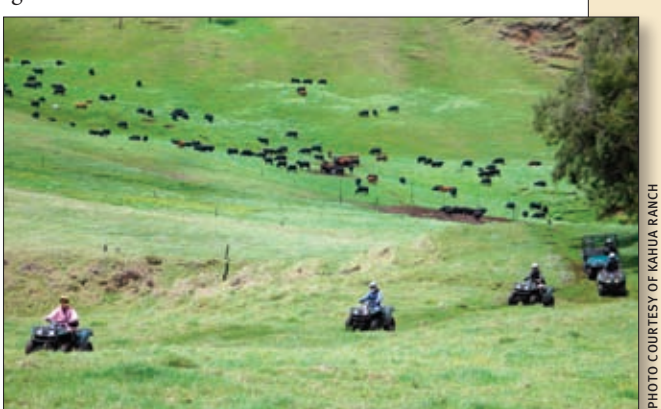

PHOTO COURTESY OF KAHUA RANCH

►ATV tours and cattle co-exist on Kahua Ranch. During high-travel season, Kahua offers tours like this daily, and its paniolo dinner up to four times weekly. Visitor activities give this ranch another income stream, adding 20%-30%. John Richards says diversifying, as Kahua has, allows them to shift efforts into businesses that are successful if another income segment goes soft.

A working ranch that welcomes visitors

Kahua shares its stewardship of land and livestock each year with some 10,000 guests vacationing on the Big Island.

John Richards, who oversees Kahua's visitors' arm, says their family's ranch has engaged in visitor activities, including farm tours, for more than 30 years. "We really stepped back into it (visitor activities) 10-11 years ago," he explains.

In building their business, they used the old cliché: "see a need, fill a need." They started with a horse trail-riding concession and slowly evolved into other activities over time.

Guests who visit the ranch these days are able to go on ATV and horseback tours, or they can tour the ranch via tram. This tour is working especially well for visitors who are less physically capable or not as adventurous, especially the cruise-ship crowd.

"They can explore the ranch, but they don't have to drive or ride anything. It just lets them see, touch and kind of get involved," John says.

Kahua also offers its sunset paniolo (a Hawaiian term for cowboy) barbecue, known as "Evening at Kahua." Guests are transported to the ranch via tour bus from Kohala Coast hotels where they enjoy dinner and paniolo activities under the stars.

Kahua added visitor activities to their ranch mix for several reasons.

It's an added income stream. "It lets us have facilities and equipment that we might not be able to otherwise afford on a livestock budget," John says.

"It's all about layering the income — using the same asset to generate different avenues of income," he adds. "That's why we're also a Kawasaki dealer. It allows us access to inexpensive machines."

Ranch visits also show tourists the "other" side to Hawaii. One guest who partook in Kahua Ranch's sunset dinner was quoted in *Hana Hou!,* the magazine of Hawaiian Airlines, as saying: "I thought these places didn't exist anymore. And I never imagined they existed in Hawaii."

And the final reason John shares is a big reason why his family invites ranch guests: "The number of people anymore with absolutely no concept of where food comes from is shocking. So we try to do our little part to spread the word in a positive light so they can see what we do and why."

For more information on Kahua Ranch, see *www.kahuaranch.com*.

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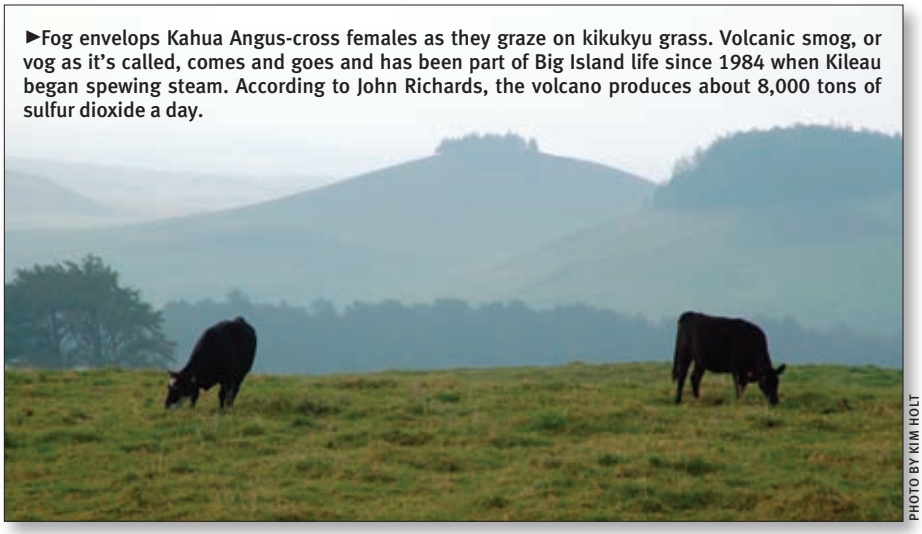
six to seven miles. Rainfall is at a high of 150 in. at the top to a mere 5 to 10 in. at sea level. Water from the high-rainfall areas is harvested for stock water through rivers and a ditch system, all gravity-fed without pumps.

Tim says Kahua, along with Ponoholo and Parker, all work to manage the rain forest and to keep cattle out because it's a watershed area. It's what they all decided was best, he adds — it isn't government-mandated.

Wise use of land and resources is a top priority for the Richards family members, and their stewardship focus has allowed Kahua to sustain its doubled stocking rate for nearly 30 years. They rotate 2,500 pairs on 8,500 acres through the use of grazing cells. Each cell is typically comprised of 20 pastures of five to 20 acres divided by hot wire.

Cattle are on the move daily and, after grazing, Tim figures 45 days for their kikukyu grass pastures to rejuvenate in the moderate-rainfall areas. He says they will stretch this to 100-plus days in drought.

Their calving season, like other ranches on the island, is based around their grass-growing seasons, determined by elevation and weather. "We all have definite breeding seasons tied into forage growth," he says. For example, Kahua and Ponoholo have similar calving seasons because of their similar grazing lands and locations.



►Fog envelops Kahua Angus-cross females as they graze on kikukyu grass. Volcanic smog, or vog as it's called, comes and goes and has been part of Big Island life since 1984 when Kileau began spewing steam. According to John Richards, the volcano produces about 8,000 tons of sulfur dioxide a day.

PHOTO BY KIM HOLT

Tim says that because of unique climate zones or ecosystems on the islands, calves are born year-round on ranches. Kahua itself calves in October and April. It brands and weans at two different times and then ships calves in late April through June and October through January.

Kahua manages its cattle with seven full-time paniolos. The ranch has 19 employees in all and seven contractors who work with Richards family members.

Because of their shared history, Kahua and Ponoholo both have families who have worked on their ranches for multiple generations. Kahua's supervisor is a third-generation employee, and his son is fourth.

"We make a great effort to shut down the ranch on Sunday to 'maintain the family of the ranch,' " John says. Tim adds that this family tie is extremely important because "we are our people."