



The Barnhart family checks their Angus cow herd. The old peg barn in the background was burnt during the Civil War and rebuilt soon afterwards.

One-Stop Shopping

Quality bulls, customer service and convenience are all part of Ken and Nancy Barnhart's Angus semen business.

by Janet Mayer

When people ask Ken and Nancy Barnhart, owners of Angus Semen Service, what they do for a living, the answer usually brings a double-take.

"I can just imagine what a credit manager must think when he reads our occupation on an application," says Ken with a grin. "Telling people, especially those who are not in the cattle business, that you operate a semen service is usually good for some unusual reaction or comment. I think our parents had some trouble adapting to the type of business we are in because neither of us comes from a farm background, but, all in all, they have adapted to it well."

Since both Ken and Nancy were born and grew up close to New York City in a non-farming environment, the probability of their ever making their livelihood from cattle was remote, as

were the circumstances of their meeting. Although both came from the same geographic area, they did not meet until they were attending Denison University in Ohio.

After graduation and their marriage they relocated in Vermont, where Ken worked in land-use planning and Nancy held a job in environmental education.

"It was at this point that we decided we wanted something more from life," recalls Nancy. "We wanted to live on a farm; so, we got a job working on a 2,500-acre farm in Georgia that raised registered Charolais and crossbred cattle. We got paid only \$1.65 an hour, but we learned farming."

From Georgia, the couple moved to Dunthorpe Farms, near Purcellville, Va., to work for Kirby Cramer, owner of the farms and Hazelton Laboratories in Vienna, Va. After about a year, they

were given the job of managing the 1,000-acre farm which ran about 100 to 125 head of registered Angus cows, 30 commercial cows and annually backgrounded 50 to 60 steers. The operation also bought Angus cows from other breeders in the state to be tested and resold as recipient cows used for embryo transfer work.

The Barnharts worked at Dunthorpe for the next 10 years building the cow herd. In 1985, Cramer decided to sell out and move west.

"When Mr. Cramer told us he was selling out, we decided it was time to strike out on our own," Ken says. "He was a tremendous person to work for, but we knew at this point that we didn't want to work for anyone else."

Cramer sold the couple the 200-year old house in which they had been residing, the peg barn, which had been

Ken Barnhart transfers nitrogen into an AI semen tank while young Ken assists.

built right after the Civil War, and 50 acres. They also bought 15 of the top Dunthorpe Angus cows.

It was at this time the Barnharts purchased Angus Semen Service. Having been in operation for only five years, the small regional service, owned by Dennis and Dottie Byrne, was in its infancy. The Byrnes started the service as a sideline to Dennis's work in embryo transfer. Deliveries were made throughout Pennsylvania, Virginia, Maryland, New Jersey and West Virginia from tanks Byrne carried in his car.

"When we got into this business, we did so because we thought it would be a good part-time project, and the overhead was low because we could operate out of our farm," says Nancy. "But we quickly saw the possibilities for it being the full-time business that it has become."

At the time of purchase in 1985, the service was offering semen from half a dozen bulls. Sales were somewhere around \$75,000 a year.

Sales maintained that level for the first couple of years after the purchase. "At that point, we were trying to get to know everyone and establish a good reputation," says Nancy. "We started to advertise the service more heavily. I think with advertising and with the addition of shipping tanks, the breeders realized that service was accessible, certainly affordable and a convenience. Once we got going, the business just kind of grew on its own. It has expanded by quantum leaps over the last several years."

Shipping methods have changed radically from the early days of the business when the semen was transported by car. About 95 percent of the semen is shipped throughout 48 states by United Parcel Service® and Federal Express® in 60 special shipping tanks. The tanks, which cost \$600 a piece, are advanced vapor shippers that maintain semen well below -100 degrees F for three to four weeks. The cost of shipping a tank to California and back by UPS® is about \$35. By using these shipping methods, customers can expect reliable shipment of the semen they order about 99 percent of the time.

However, Ken says, some breeders



have a habit of waiting until the last minute. For those people, next day delivery can be provided by Federal Express® for about \$70 to \$100, depending on delivery location.

Catalogs are another innovation the Barnharts have incorporated into the business. As the number of bulls the service handled increased, the need for a detailed catalog became clear. The first catalog, eight pages in length, was published in 1986 with the help of Barbara Peery, Peery Graphics, New Market, Va. Nancy gleaned potential customers' names from address lists provided by *Angus Topics*, membership handbooks of Angus breeders on the eastern seaboard and new members listed in the *Angus Journal*.

A new catalog is published each November with the service sending out 3,500 copies to customers and the remainder being given out during shows in Louisville and Denver. The 1992 edition is 20 pages long and offers customers a selection of about 150 bulls, with performance reference charts on each bull and photos of some.

In addition to the catalog, the service also offers an Angus Semen Buyer's Guide Video. It aids buyers in their selection of bulls by showing 60 leading sires on the move, additional information on daughters in production, with ultra-sound pictures and progeny included when available.

"We call our service one-stop shopping," says Ken. "We provide a good rounded selection of bulls. We deliver on time, and we also supply AI certificates. Most customers order semen from four or five bulls and by using the service we can save breeders not only time, but

money. Had those people bought semen from individual bulls owners, they would have spent considerably more time rounding up the semen, would have spent more money on delivery, and then would have had to call the bull's owner again to get the AI certificate. We take care of ordering the certificates for breeders who buy from us. They usually have it in seven to 10 days."

The service offers a wide variety of bulls because the Barnharts know every breeder is not breeding for the same goal. Many times customers call the service asking advice about which bull to use. Since the service doesn't own an interest in any of the bulls, every bull is treated the same.

"I think the owners of the bulls like this because we are not going to push one bull over another," says Ken. "About 70 percent of our customers know exactly what they want when they call in. For the others, we will recommend a range of bulls to fill particular needs but I don't advise people unless they ask me. I think it is important to let someone make his or her own decisions."

The service has turned out to be not only a good source of semen for breeders, but on the other side of the coin, also a good place for bull owners to market their semen. The semen is collected by the owner and shipped to the Barnharts. They do not lease or own any bulls themselves and everything is sold on consignment. The percentage on cheaper semen, such as in the \$15 range, is 30 percent. The percentage on higher cost semen is 20 percent.

When the couple got into the business, they had to gain the confidence of the bull owners. In order

to give a good accounting of what a bull was doing in sales, Nancy developed a computer program to keep track of inventory and sales. At the end of each month a report was sent to bull owners with names and addresses of the buyers and how much semen each buyer bought. The owners received their check for the semen right away.

"In order to get the right bulls, we had to be responsible to the owners," says Nancy. "Once the owners found they were going to get a good accounting and get paid on schedule, things went smoothly. We now have owners seeking us out to carry their bulls' semen."

The Barnharts try to screen the bulls they take on since it is difficult to sell semen from a bull that has the same pedigree as eight other bulls. On the other hand, the couple is not afraid to take on unknown young bulls, because they feel they need a chance.

Ken tries to get a picture in his mind of how a bull will compete in the industry by looking at the cow family of the bull, his pedigree, his EPDs and a photograph. The bulls that sell especially well are the ones who fill a specific niche without too much competition.

"We try to explain to people what promotional cost will be involved in order to market their bulls successfully," says Ken, "To successfully launch a bull nationally, you could be looking at \$15,000 to \$20,000."

First and foremost, the Barnharts advise the owners to advertise. They also try to prepare them to lose money if the bull doesn't catch on. Of the bulls in their catalog, 30 to 40 percent sell nothing.

"You see them in the catalog for a year or two, and then they fade," Ken says. "If a bull is average he probably won't make it. What the breeders are looking for today is a tool to move their herd in a particular direction. If you can fill a particular niche with your bull, and you have done good promoting, then you are in."

Ken points out that the bull market is fickle. "A good case in point was the bull Brost Power Drive. At one point you couldn't give his semen away because he produced small calves. Then breeders started to see that the calves turned out to have heavy weaning weights and could be used on heifers.

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-Ken Barnhart

His progeny were also winning shows. From that point on, semen was difficult to get."

Many changes have occurred in the beef industry since the Barnharts started in the semen business. When we started selling semen, frame size was everything," recalls Nancy. "Now we see the pendulum swinging back to milk, thickness and do-ability. I think we have to go to extremes for the voice of moderation to come along and say, 'Wait a minute. We've forgotten too many things along the way.' We can't lose sight of where we need to be going. Right now I think the breeders and packers have pretty much gotten their act together."

"Farms that are successful have a vision where they want to go and what they need to do to get there," Ken adds. "If that vision is too different from what the market demands, they are going to have a hard time selling cattle until the market comes their way."

The Barnharts maintain a herd of about 15 cows, whose care is a family project. The couple's young sons, Ken, who is 10, and Tom, seven, are quite proficient working with the cattle. Because of the semen service's demand upon their parent's time, the boys help during calving time and help their mother care for the cattle when their father is away on business.

Ken describes the herd as having moderate frame size, good milk and being easy calvers. "I would guess we are almost where we should be with our own herd, because we have good local market for our cattle. But I think we still need to put a little thickness into

them and some more do-ability."

The herd stems from two cow families, basically Wye and Graham 137 and 151. Later they added some Elba, Excursion and Eileenmere lines. Ken names Prompter and Starstruck daughters as being some of the best in the herd.

"We, of course, do not keep a bull," Ken says with a laugh. "This past year we used the Maxima bull on our cows, and we are extremely pleased with those calves. We are trying to stay in the mid-eight frames; so, we used GDAR Nugget 6180 and Gold Nugget 766 for next year's calves. The herd is on a twice-a-year calving schedule."

The calving schedule has to be worked around the busy times of the semen business. Slow time for the business is August, September and October, with business picking up about mid-November with customers from the Southeast and California. December is fairly busy with some slack over the holidays and then steady through January, February and into mid-March.

"From March until August, things get really hectic," says Nancy. "Both of us can't take half a day off at the same time. Somebody has to be here to man the phones."

Although the pace with the semen service is sometimes hectic and the Barnharts spend about 80 percent of their time running the business, the couple finds it to be rewarding. "It is a lot of fun," says Nancy "Angus people are just the nicest group of people that you can work with. It is pretty amazing that we can send semen around the country and trust people to send us a check, but these people always pay their bills."

"I second that," Ken adds. "The people we deal with are the fun part of the business. In one day, we can talk to a man making maple sugar in Vermont, and later that same day, talk with someone with a French name who is crawlfishing in Louisiana, a rancher in Nebraska and another in Montana, a farmer in Wisconsin and another in Michigan. All these people with different backgrounds and walks of life have the common thread of Angus. Nancy and I think the Angus people are a great group of people. We feel that we are part of that family."