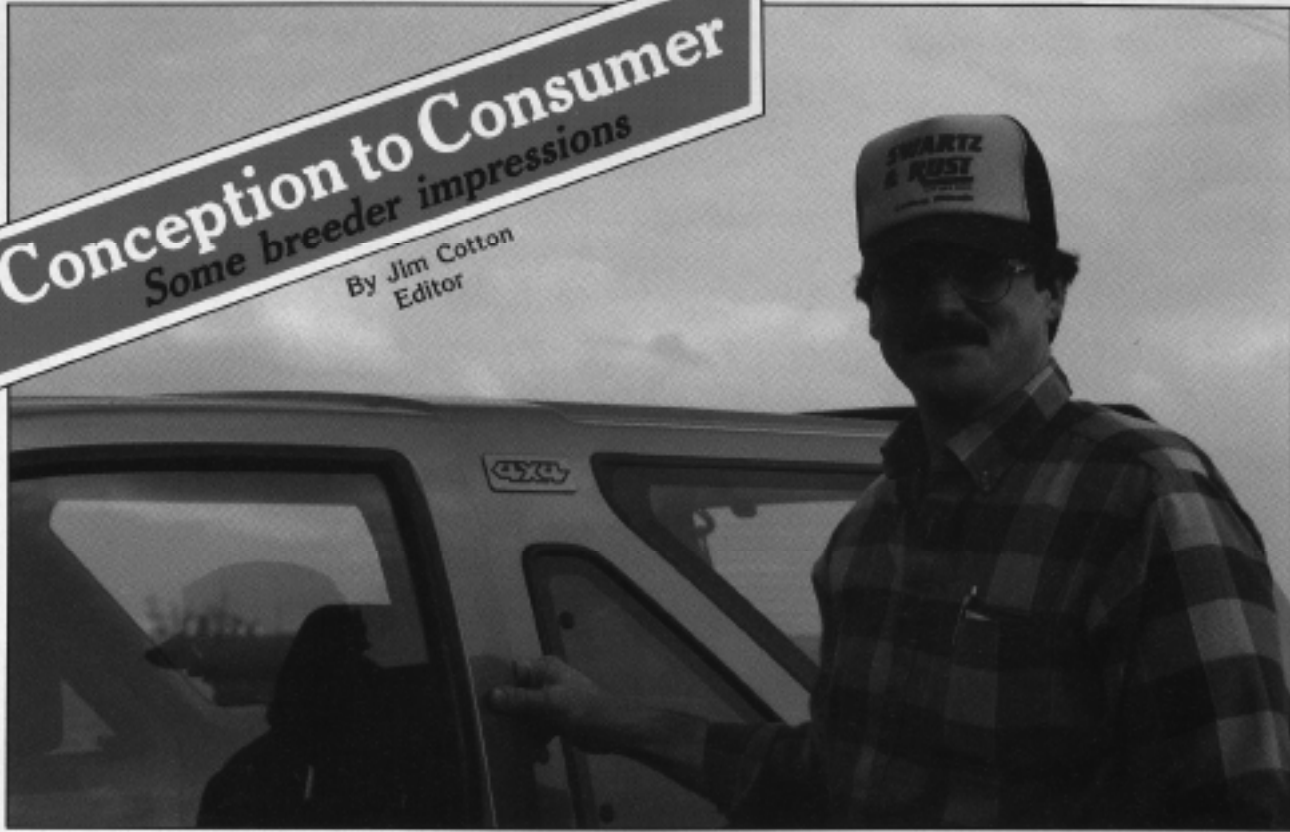


Conception to Consumer

Some breeder impressions

By Jim Cotton
Editor



Brian Swartz, Swartz & Rust, LeRoy, Illinois. "The meat industry is not an easy nut to crack. If anyone thinks they can hang a shingle out and start selling beef, they're in for a rude awakening."

First impressions tend to stick. Visiting with Brian Swartz reminds one of a television favorite of a couple decades ago, "Gunsmoke's" Chester as played by actor Dennis Weaver. Chester followed The Code of the West portraying basic decency, honesty, with a soft-spoken manner and accent and, of course, the famous stiff-kneed limp.

There are dissimilarities. Brian doesn't limp and he's more robust than Dennis who's been appearing a little wane lately on his new series. Surprising to learn our old friend Chester once flirted with vegetarianism. Since he portrays a surgeon-rancher on this new show, he may convert back to meat and order up a healthy bundle of Swartz Angus Beef.

Brian and Gail Swartz typify why people like this purebred beef industry—you meet nice folks who plant their feet on the ground and focus their optimism toward opportunities coming with the future.

They raise Angus in the prairies of central Illinois, near LeRoy, where fences are few and corn is nearly synonymous with farming. A cow is a conversation piece.

"We're the odd ones around here," Brian acknowledges, citing Angus fellow breeders Kenneth Reeser and the Dick Haas Family. "We don't have time to go to the coffee shops, so they can talk about us pretty easy. Folks wonder when they see us raising oats and putting fences in.

"The rage was to tear out every fence and hedge. That's why you can't hold onto your hat today.

But it's rich soil and great country to do what it does best. Brian and the other personnel of Swartz & Rust are just trying to make it do a little more and a little different.

One of the ambitious ventures is Swartz Angus Beef. Swartz beef was known locally in the community through

word-of-mouth, and Brian and Gail were selling sides from steers they fed at the farm. Soon, they were doing a decent volume. But, in light of new packaging and wanting to compete more effectively, they decided to explore methods other than the traditional take-it-or-leave-it approach.

Their concept delivers a frozen assortment of Choice Angus beef packaged so customers can enjoy the benefits of custom cutting without the investment in a half or



"I try to deliver a// those bundles I can, personally, to get to know, the people and answer questions." The price is \$59.95. The Blue Ribbon assortment is across-section of what a half would be and includes roasts. The Gold Medal is geared more to steaks and ground beef. The Barbecue Selection is a summer offering suitable for outdoor cookery.

quarter. Brian, his brother, and Gail researched the idea for nearly two years before they launched. They tested the waters with focus groups of 10 consumers assembled to simply talk about food.

Based on that feedback, they approached the market with a bundle concept that would provide the essence of a side of beef but without the hefty outlay all at once.

"We're not trying to be a CAB or IBP but rather just meet a demand that surfaced from our studies."

Another consideration favoring the bundle concept was the lack of freezer space in many homes. The bundle was sized and convenient enough to fit into most refrigerator-freezer compartments.

Convenience became the watchword as they nurtured the idea, explored the possibilities (and the competition from poultry and fish particularly) and listened to the reaction from the focus groups. Genesis for selling a new beef package came over the hamburger grill out back at the Swartz home. Gail would grill extra burgers while the briquets were still hot. These she'd freeze individually for later use, and the family could enjoy a barbecued burger without all the preparation. Why not expand the concept?

"Our original thought-and I've not given up on the idea; we may evolve to that-was to offer a cooked product based on Gail's method. We haven't abandoned the idea, and I think it's viable. But at this point, we'd have to have more cold storage and there'd be so much compliance with public health regulations. You've got a lot more exposure and liability through a cooked product than with frozen meat products."

"We get our fencing from Pontiac, Ill., where a company there builds panels and gates. This is the stock they use. There used to be board fences all over here, and it looked nice about six months after it was painted. We were always nailing it up.

"So I was looking for something that looked decent but with low maintenance. It shouldn't need to be painted as it's all galvanized. Takes a little while to get it in place, but once there, it's durable.

"We try to keep a pretty close check on the fences because if the cattle get out, they can go a long way. There's not much out here to run them up against."

So the option was to stay with a frozen product but present it boneless, closely trimmed, and individually packaged in transparent and vacuum-sealed film so the consumer could pull out a single steak and enjoy its appearance top and bottom. A selling feature for the housewife is she can see what she's buying with the Swartz bundle concept, unlike some volume wraps that tend to be mysterious. The cost is greater, of course, but Brian thinks the focus group confirmed the extra expense is justified in total customer faith and satisfaction.

Brian leaves a response card with each delivery. Customers are polled on the beef's keeping qualities, eating, packaging, convenience.

"Just like the major packers have found, the things that sell are quality and convenience. The test steers we sold helped us determine we'd sell a boneless product with the exception of the hotel cut ribs (offered in the "Barbecue Selection" during the summer months). So the customer can open the box and eat everything in that box. They're buying pay weight, closely trimmed beef.

"The second thing we were interested in was how we fashion what we process and how we package it so it will all fit into our box. How many boxes can we get out of a steer, and how do we arrange the beef so there aren't a bunch of spare parts piling up on us? That was a major challenge."

The Swartzes consulted with Dr. Floyd McKee of the University of Illinois for his input on analyzing carcass data and monitoring quality. "Dr. McKee had been working with a number of branded meat products and with people in situations similar to ours. He waded right into it." Based on their resources and what data they had already accumulated, the team began a comprehensive approach of examining carcass results, surveying customer tastes and preferences, and penciling the costs to a very fine line before processing the first beef back in December, 1986.

Keeping supply linked to demand without ending up with a bunch of inventory is a "bit of a trick", Brian admits. "But with us going step-by-step on a smaller scale, it's easier. We'd like 10,000 customers in the Springfield, Bloomington, Champaign area, sure, but we're moving as the demand dictates. We're also exploring the possibility of offering specials if we're running long on ground beef or roasts."

The giants have these areas figured to the penny. "They can keep their costs so low relative to our situation. That's why to market, we had to come up with something different than what they were doing. We don't pretend to be the lowest cost out there."

There's an Angus angle, too, to sales. People remember Angus beef from Granddad's herd or from the farm. "They'll remember that Angus beef and how good it was. That's something worth guarding pretty dearly."

Consequently, pleasing his customer is critical to Brian as he plans the herd breeding program. With the



help of Dr. McKee, he will be able to identify the sires which produce those superior carcasses.

The beef end of it has always been of interest to him, Brian says. His first love is production, but the family locker plant of his high school days has helped keep a perspective on the breeding program at the farm. "You can see them with the hide on or the hide off, and I feel it's given me a pretty good background on the whole industry while trying to keep things in focus.

"My dad farmed and then had an opportunity to purchase the locker plant. He operated it until he retired." The plant is now owned by Chuck Crupner of Ivesdale, and all Swartz Angus Beef is processed there. "What goes around, comes around," Brian observes. "Dad went from the production end into the retail meat business, and we're kind of doing the same thing.

"My brother has helped us a lot," he says of developing the business, "and I enjoy the public contact. What's interesting is the diverse group of people this seems to appeal to. By no stretch of the imagination could you say this or that set of characteristics fits-you could not put a profile together. It ranges from food stamp recipients to people who live in half-million dollar homes, and everywhere in between."

The average purchase, if a conclusion could be made,

is by upper income clients. Gift purchases are popular at Christmas. The location is favorable as there are the communities of Champaign and Bloomington within reason and even Peoria and Springfield could be targeted. "We don't have aspirations of becoming a mega-firm and selling into several states or so forth."

One step at a time and place that foot carefully has been the approach. Brian and Gail are still experimenting with the most economical way of advertising and figuring its return on investment. They employ newspapers, direct mail, and personal letters. "We really don't need a large share of the market to move a lot of cattle with the way we're selling."



With 4S Blackstone: "He's got a good loin on him."

One of the benefits and perhaps at the heart of the project back when it first took shape, was adding value to the bottom end cattle. As Brian points out, "The top end of your cattle usually sell at a premium, but then there's always a bottom end. We're trying to add value to what might be considered the bottom end. So we've just vertically integrated into a system like this."

But the upshot is a wider array of criteria when selecting sires and planning a program. When one has a growing market at the end of the line, he just has to consider pleasing it the best he can every way he can. Genetics may be the most critical and least predictable part of the formula. A sire's EPD for carcass performance, steer progeny cutability, taste panel tests—anything and everything becomes grist for the mill. That's one reason Brian has invested in Harmon Scarecrow among other sires.

"The breeding he represented and the type really interested me particularly as far as the meat company was concerned. The way he's bred and the carcass characteristics look pretty appealing. Scarecrow is a full brother in blood to HAR Bang. They're both by QLC Winchester and out of full sisters. It's a Cases Hennessy-Broadway relationship.

"And he sires some pretty stylish calves and where a lot of our market is 4-H calves and projects, that's quite important." Brian states attention at S&R is toward functional aspects emphasizing soundness in the feet and legs plus keeping the milk. But, calves also have to present a good "profile" to meet the market in the region.

Brian also has an appreciation for another Ken Caryl Mr. Angus product, the QLC Target bull. "Target will give you a little more rib in the females, maybe a little more 'dew', a real broody type. They don't have quite the extreme growth of some of the other lines. Once you get the daughters, though, you'll really love them."

Sires used in the Swartz & Rust program present quite a cross-section of the breed's current favorites. A good percentage of the cows are by QLC Target and R&J Dallas. Brian consults with Doug Worthington, herd manager, and the two go over what they think will work with each individual cow. Matings are planned on basis of strong points keeping in mind what the cow seems to

produce and what they'd like to change with the calves she's had.

The R&J Dallas bull represents milk input and extreme growth in the daughters. "They've turned out to be really good mothers for us. They're not patterned in quite as showy a profile as the Scarecrow calves might be. But that's the reason we pick different bulls out of different lines because we didn't want more of the same thing."

Carcass is increasingly important. "We've tried to keep a balance in the herd. For example, Skarship Educator's steers cut out really well. I don't want to suggest we did a lot of large scale tests, but we did some comparison testing.

"Target will give you some outstanding females," he continues. "Dallas will give you a lot of frame and a lot of extra milk if that's what a person needs in a breeding program. Scarecrow puts a nice showy pattern on them,



The farm operates over 1,800 crop acres. "That's my bag, too. We have a man that's been here 25 years and he runs the grain end of things. I spend most of my time coordinating. Consequently, to pull everything together, I end up working in the office and computer room here."

and our calves by Scarecrow appear really correct. We own a piece of Skarship Educator also. The growth of those cattle is tremendous."

Brian has tried to carve out some depth in an assortment of bloodlines that are a little different. Recognizing the popularity and acceptance of Mr. Angus and Pine Drive Big Sky daughters, he's sought something distinctive that will work on this common base.

"Probably in this area, I've used Pine Drive Big Sky the least of anyone. But at the same time, we chose to use Target very heavily. We felt there would be a demand for a different bloodline. I think the boys out West could see Target's potential a little quicker than the folks back in this area just because those cattle are not quite as showy in profile especially at an early age. When they're a two- and three-year-old with a calf at side, it's a different story.

"Of course Dameron Linedrive is out of a Target daughter which doesn't hurt anything."

Swartz & Rust have had some successes lately as they expand their marketing program. There's always been private treaty business, but the firm has held its first annual production sale,

One notable offering was the Sir Wms Black Magic daughter sold to Dave McMahon, Belle Point Ranch, Ft. Smith, Ark. Another steer sale was satisfying, namely a Premier Valedictorian son out of a Target daughter. It sold to J Bar J Angus in Norwich, Ohio, for \$4,000 and stood grand champion at the Illinois Beef Expo with Jason Goff at the halter this winter.

Bulls can be marketed as far as that market goes. It's a limited opportunity. Brian tries to select a dozen top bull calves he thinks will work toward the needs of the commercial customer, then cuts off the steer prospects. The 4-H and FFA market's improved as more Angus steers keep winning area and state shows.

"People looking for heifers is kind of a cyclical thing. Some years it seems like you get a lot of traffic through. Anymore, though, everyone is busy. Kids are in ball or track or something year around. They just don't have the time to go traveling all over the country. It used to be it was not that unusual for the family to be gone three or four days or a long weekend to look at cattle. And we still get some of that, but not as much.

"So we've shifted toward a production sale each year. We've also tried to participate in the Illinois Association's Spotlight sale.

"I think people go to sales moreso now to look at large numbers of cattle and make their selections with one stop.

"When my father-in-law retired in the spring of 1980, we dispersed some cattle. After that and when it became Swartz & Rust, we were rebuilding. We kept back daughters and went out and bought some proven cows we felt had some more production left. Then we bought interests in bulls like Skarship Educator, R&J Dallas, Target, and Scarecrow to put their daughters into the herd. The goal was to build up enough numbers to have an annual production sale.

"We reached that point, we felt, last year. It's a good way to market-I think people like to buy off the farm. It's worked well."

Some promising young studs are in the S&R stable. Going back to the original Ponderosa family is 4S Blackstone, a product of the Darwin Schweitzer program, Wilder, Idaho.

"The growth curve he's been exhibiting should translate into getting cattle to a marketable weight as fast as possible," Brian suggests. "That's important with the public's interest in lean beef. Yet, he's got some capacity, do-ability, and structural correctness."

The 4S Overtime bull is a Ken Caryl Overdrive son out of a Rosebank Connection "10" daughter. "He too is structurally correct with a lot of meat in him. He's clean-fronted. We're flushing our Sir Wms Erica 654 heifer to this by bull. He sold in Darwin's sale along with the Bobby Sox heifer. We own a third interest in him, and if I could raise a bunch like him, I'd really be pleased."

Doug Worthington and Brian Flach will be fitting these cattle. The

location, though not a cattle-rich area, is central for much of the travel that goes on between Denver, Louisville, and the East. It's not out of the way for interested parties to slip up and see the progress. As other members of the syndicates may not be as convenient, it was felt the Swartz & Rust location might just attract that extra measure of traffic plus there was a skilled team to bring the bulls on.

"I'm really proud of those boys.

Doug's assumed a management role here and he works closely with Brian, our herdsman, on the feed and fitting and presentation of the cattle.

"So, we've tried to not just beat the same drum all the time but to achieve

some flexibility in our breeding program. We've tried to keep the whole picture in mind as far as bloodlines, matings, and what will work on particular animals all the way along."

In that vein, has there been anything regrettable? "Land, yes! We've bought some cows that haven't worked out. We've used some bulls artificially that were disappointing. This is not an exact science.

"With open A.I. and E.T., it's not as devastating if you're using a number of different bulls. It's not like back when you had to have the son of the International Grand Champion-then you were exposing your whole herd.

Then your whole herd could be a mistake.

“Then, on the other hand, if you make a mistake with E.T., you’ve also got a lot of money invested in something that didn’t work. I think you have to be realistic with your goals and what you want to do with your cattle. Anytime you start selecting for one trait, you may enjoy a heck of a windfall but by the same token, it can really clobber you.

“We can’t shoot for a boom, because this operation has to stand on its own. We’re always trying new things in small doses. It’s a situation I’m comfortable with as we’re trying to raise the kind of cattle that will always be functional whether in the showring or with commercial bulls. We’re trying to make the two things come together with good functional cattle that are framed enough to show.”

“That’s a trick. It’s not easy, I’ll grant you that. We’re trying to stay the course.”

Over the years, the farm has run the course quite vigorously. A little history of the farm reveals some interesting transitions. When Brian started on the farm, he was partners with the late Ed Rust, Sr., who was the son of Adlai Rust. Adlai was very active in the cattle business. “He was president of the American Angus Assn. the year I was born, 1953. My father-in-law, Dale Veering, was partner with Adlai.

“Adlai really had a heart for the thing and got involved. Ed, Senior, was also involved but not as actively because State Farm Insurance (Bloomington is its national headquarters) started taking off with some phenomenal growth about that time. The Rusts, Ed and Harriett, were also involved in a Quarter Horse operation as well.

“Ed, Junior, became president of State Farm yet is very interested in the farm. He comes out as he loves to carpenter around here.

“The Rusts are super people to work with.” Brian mentions he has a number of building and re-building projects on the calendar so perhaps he can keep his partner moving from one to the other. Shelter from the elements and keeping ahead of the wind and weather is foremost.

“The mud can get really deep. Every March, we have reservations about what we’re doing in the cattle business in central Illinois.” But then he mentions how the country redeems itself come the harvest.

“This farm is geared to pay its own way,” says Brian. Swartz & Rust just plan to do it a little different. Yes, they raise corn too, but life’s more interesting if there’s cows and beef to mix with coffee shop gossip. 