

A Model for Agriculture

The Angus industry's commitment to the brand is a success story other ag industries could benefit from imitating.

Story & photos by **Ed Haag**

Rancher, former director of agriculture for Washington state, and longtime family farm advocate, Peter Goldmark believes Northwest agriculture can learn much from how the Angus industry conducts business.

Goldmark, of Okanogan, Wash., has always relied on his powers of observation to help guide decision-making on his 7,000-acre eastern Washington ranch. Thirty years ago, when most neighboring cow-calf operations continued to run older, horned breeds, Goldmark transitioned to Angus. Daily observations led him to the conclusion that there were tangible advantages in switching breeds.

"The cows we used to raise had some real maternity problems," Goldmark says. "On the

other hand, the Angus breed had a reputation for producing great mothers."

He also noticed that Angus cows had larger udders and produced more milk than the animals he had been managing.

Goldmark adds that another key consideration for the change was the fact that Angus are polled. "It gave us a tremendous advantage not to have to dehorn our calves," Goldmark says. "Imagine how you reduce the average daily gain (ADG) when you inflict that kind of trauma on a calf."

Time has confirmed that Goldmark made the right decision three decades ago. All his observations proved valid. After transitioning to Angus, Goldmark's calf mortality rates improved. In addition, the

young animals were healthier and gained more weight.

"This all translated into higher profits at sale time," Goldmark says, adding that the success behind the Angus breed laid in the fact that its cows possessed many of the traits considered most desirable in a commercial beef operation.

But there was more, he recalls. When Goldmark began purchasing his Angus bulls, he recognized immediately the serious commitment his suppliers had to maintaining the integrity of the Angus breed.

"Every seedstock producer I have worked with over the past 30 years does his utmost to make sure that I get a quality product," he says. "I can't say enough about their commitment to customer service."

Sitz Angus Ranch, operated by Jim and Bob Sitz of Dillon, Mont., has been supplying Goldmark with bulls and replacement heifers for more than a decade. "We have a very high percentage of repeat customers," Jim says. "That is because every sale is backed by our personal guarantee."

For the Sitz family, that guarantee has been in place since Jim's grandparents, Will and Frieda, began raising registered Angus on their Atkinson, Neb., farm in 1929. Jim's late father, Robert, moved the family seedstock operation to Montana in 1959.

Throughout the years, the Sitz family has used tools provided by the American Angus Association to maximize their returns on the bulls and bred heifers they sell at their auctions.

"Through the use of EPDs and the performance information we get from the Association, we can select desirable traits for



► Raising Angus has contributed to Peter Goldmark's greater understanding of how branding affects the value of an agricultural product.



the next generation,” Jim says. “That helps us raise the kind of product our commercial customers really want.”

Jim notes that another valuable asset provided by the Association is the *Certified Angus Beef*[®] (CAB[®]) brand. “Every year they are selling more CAB beef in this country,” he says. “It is very definitely creating a growing demand for Angus cattle and, in turn, a growing demand for quality seedstock.”

Angus industry is the exception

For Goldmark, and others who have been raising Angus, times have been good during the last few years. With overall beef prices up and the demand for Angus animals particularly high, few have reason to complain. Regrettably, the success of Angus producers is not representative of U.S. agriculture in general, Goldmark says. He notes that several main agricultural sectors are in serious trouble, and farms that have been owned by the same families for several generations are going out of business every day.

“For example, the soft white wheat farmers in the Northwest are particularly hard-hit,” Goldmark says. “They are receiving the same prices for their product that their grandfathers received.”

He adds that while wheat prices have remained static for decades, the cost of production has soared, with fuel quadrupling over the last six years and chemical costs tripling during that same time period.

Goldmark should know. Like many other beef producers in eastern Washington, he is also a small-grain and forage producer. “No one is making money raising grain this year,” he says. “The costs of inputs are just too high.”

Northwest apple growers are in a similar bind, Goldmark says. “They are being forced to abandon their orchards because the cost to produce apples is higher than the price they receive in today’s market.”

He notes that the financial toll in Washington state isn’t just borne by individual farmers. Entire rural communities, reliant on agricultural dollars, are suffering. In recent years he has witnessed entire farming towns — once home to dozens of successful small businesses — shut down completely as surrounding farm incomes dwindled and disappeared.

Perspective

For Goldmark, what is happening to Washington farm families is personal. With many of his friends and fellow rural residents suffering, he has long felt the need to be involved in developing survival strategies for Washington’s faltering ag economy. While devoting much of his life to operating the family ranch, Goldmark has already made significant contributions to Washington state’s agricultural community, both in the areas of education and public service.

“Peter’s educational background gives him a unique perspective on farming,” says Steve Mitzner, fellow Okanogan rancher who has known Goldmark since their high school days. “He understands our agriculture on the production, scientific and the policy level.”

After receiving a doctorate in molecular biology from the University of California in 1971, Goldmark accepted a postdoctoral fellowship in neurobiology at Harvard University. The next year, after completing his work, he returned to ranching, but he never lost interest in higher education.

He accepted a position on Washington State University’s (WSU) Board of Regents in 1996, where he served until 2005. During his tenure, Goldmark proved a staunch supporter of the land-grant university’s 100-year-old mandate to educate the next generation of Washington farmers and to be an advocate for agricultural research.

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► The Goldmarks take time to enjoy a moment with a favorite mare and her foal.

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“Dr. Goldsmith has helped WSU refocus its energies onto its original mission of conducting applied research and providing academic programs in production agriculture,” says Dan Bernadino, WSU’s Dean of the College of Agriculture, Human and Natural Resources.

Goldmark’s efforts on behalf of his farming community have not been restricted to higher education. In 1993, he was appointed director of agriculture for the state of Washington by then Gov. Mike Lowry. Although his tenure was short — family matters required that he

return to the ranch before the end of his term — Goldmark was able to make a difference.

He was determined to make sure the fees his fellow ranchers and farmers paid weren’t wasted on redundant programs. By the time he was finished he had reduced the number of divisions in his department from eight to six.

“I did what was necessary to keep the department running efficiently and to make sure that checkoff and tax dollars were used wisely,” he recalls. Goldmark notes that what he has learned from his public service experience is that no single sector of

agriculture is isolated from another and that all farmers and ranchers must learn from each other in order to survive.

Template for success

For Goldmark it is time for agriculture to look to its success stories for answers. “The reason why the Angus brand is such a winner is because seedstock producers give their customers what they need to succeed,” he says, adding that the quality of the product is guaranteed by individual family ranch operations, like Sitz Angus, and backed by an organization dedicated to maintaining the integrity of the Angus breed. “That same philosophy can be applied to other sectors of agriculture.”

Rather than producing crops that are treated as generic commodities, Northwest farmers should be looking to branding opportunities that identify the superiority of their products, Goldmark says, noting that establishing consumer awareness of local products through branding is the first step to achieving a premium for quality.

He admits that wheat ranchers in the Northwest have strayed away from that principle. Until recently they have grown the same type of wheat for export to Asia since the end of World War II, while competition in the global market has increased dramatically. Predictably, U.S. market share in Asia has shrunk to a fraction of what it once was, resulting in static — and even declining — prices.

Goldmark says it is also time to take a serious and practical look at market demand. He cites, as an example, a new domestic market that responds directly to the need for U.S. farmers to be cut free from soaring production costs. He notes that, by shifting some production to biofuel crops, this is possible.

“Rather than shipping our crops halfway around the planet at a loss, and then importing foreign oil at outrageous prices, we can keep our crops at home to fuel our machinery,” Goldmark says. “That is responding to market demand in a creative way.”

Goldmark points out that such an ambitious endeavor won’t be achieved overnight, and that local farmers and ranchers need an increase in the soft white wheat loan rate in order to survive the current crisis. However, with appropriate government incentives and a ramping up of research relating to the production of biofuel crops, he believes they can meet the challenge.

“Think about the positive impact it will have on our rural communities to grow, process, refine and burn our own domestic fuel supply,” Goldmark says. “Just that could turn everything around.”

