

# DESIGNED TO SUCCEED



## South Dakota feeders fill their barns with the best.

Story & photos by **Miranda Reiman**, Certified Angus Beef LLC

**S**omewhere in between, “Pass the mashed potatoes,” and, “I’d take whipped cream on that pumpkin pie,” a feedlot was born.

As the Wilkinson family sat down for Thanksgiving dinner at their parents’ house in 2004, the farm ground that just sold for \$1,500 per acre was on their minds.

“The biggest part of the conversation was that we can’t afford to keep chasing the land price,” says Bill Wilkinson, the eldest of three brothers, noting that would be a bargain compared to the \$6,000-per-acre figures now.

“We asked if we’re going to focus on buying more land or are we going to focus on some other entity that can hopefully make the same rate of return and not have so much tied up in dirt,” says younger brother Todd.

The two had already fed some cattle together, supplementing Bill’s full-time farming and Todd’s law firm.

“It was always dad’s dream to have all three of us boys working together,” he says. This was a way to bring in the middle brother, Ed.

Rather than flip on a football game, business filled the De Smet, S.D., residence that day.

When the usually conservative family

patriarch showed nothing but enthusiasm for the new venture, “the boys” went all in. Within days, they were touring monoslope finishing barns and picking the perfect place for new construction on the land southwest of De Smet, dubbed “poverty flats.”

### The start up

“One of the reasons we picked this particular area is that it doesn’t rain as much, and it’s more prone to silage and grazing,” Bill says. The feedyard sits on virgin prairie, adjacent to another 1,300 acres of permanent grassland that borders Redstone Creek.

By the spring of 2005, Redstone Feeders broke ground on the first 5,000-head building and followed it with a 3,000-head addition in 2007. Currently they’re at 8,200-head capacity, with plans to continue that expansion when the market is right.

Although the senior Wilkinson has passed away, his sons are carrying the torch.

“He just loved cattle and the idea of putting up a facility,” Todd says.

Starting from scratch has advantages. The main building hugs the natural topography so that it is 3 feet higher in the center than

either end. Both sides of the pen are lined with bunks, allowing the crew to use sunlight or shade to their advantage.

“The monoslope is designed so that in the wintertime the sunlight comes all the way in,” Bill says. In the summer, the shaded bunk sees more than 70% of the ration. They can close curtains in extreme cold or for certain combinations of wind and rain.

“Because of the ethanol byproducts, everything was moving north,” Todd says of



► **Above & right:** The feedyard sits on virgin prairie, adjacent to another 1,300 acres of permanent grassland that borders Redstone Creek. Currently they’re at 8,200-head capacity, with plans to continue that expansion when the market is right.



► **Above:** Tracy Johnson, of Bruce, S.D., has started cattle for the Wilkinsons for six years. He is one of 10 or more farmer-feeders who cooperate with the family.

► **Left:** Brothers Todd (left) and Bill (right) built the feedyard in partnership with their brother Ed. "It was always dad's dream to have all three of us boys working together," Todd says.

the feeding industry. "We've got the best cattle in the world."

Yet a southern yard never has to deal with a South Dakota winter.

"We try to take out that one big variable — weather," he says.

It helps with performance, both in the cold and in the heat, but it also allows them great control over their environmental impact.

As cattle enter the concrete pens, they spread their own straw for bedding. There are no slats — the only lagoon on-site comes from a few outdoor pens and a holding area. When they clean the barns, four spreader trucks carry the 65%-moisture manure to nearby farm ground.

"We've went from 1.5% to 4% organic matter since 2005," Bill says. "We're really adding to the soil structure and increasing the productivity of the ground."



The extra manure is bartered for straw for both feeding and bedding. Just like every grain and roughage, there's less of it around this year.

"We're not sitting back and crying over it. We're just taking steps to make up for it," Bill says.

The first. "We've dramatically altered our rations, taking a lot of corn out," Todd says.

The brothers have talked among themselves, consulted their lender and asked for expert advice at nearby South Dakota State University.

"This is the way they used to feed cattle before there were modified products, and we had good quality then, but it's still a little bit of a question mark," Todd says.

More of Bill and Ed's cornfields were chopped for silage than usual, and they bought silage off another six quarters from a neighbor. The silage pile was at record heights — so tall, in fact, that it knocked out the Internet connection at the office.

### Adaptability and proven methods

Quality is a cornerstone of their business model, so how this drought will impact final grade is a worry.

The altered rations also illustrate a switch from their grow-them-fast, finish-early mentality.

"Normally I would have a lot of contracts placed on the board for April," says Todd, who works on the feedlot's marketing plan. "Instead of having the cattle all forward contracted, we have none, because we don't know how they're going to finish or when."

Yet amid all the uncertainty of this year, some constants remain.

"Of the ranchers who have sold to us,

about 80% are repeat suppliers," Todd says. That's by design. "The calves we like, we go back and offer them a premium price. We would just as soon buy them right off the ranch."

The fall months see a rush of calves mainly from North Dakota, South Dakota and Montana. Some of the 8,500 animals will make an additional stop before heading into the feedyard.

Ten or more farmer-feeders cooperate with the family as growing yards. They wean calves and hold them until there is pen space at Redstone.

Tracy Johnson, of Bruce, S.D., has started cattle for the Wilkinsons for six years.

"They're buying 5,000 head some months, and the first year I thought, 'Who knows what kind of problems we'll have?' But they always bring top-notch cattle," he says. "We've never had any problems."

Part of that comes from the ranchers they do business with, Johnson says, and it's partially due to the focus the brothers put on health.

"When it comes to preventing sickness, they're not skimping," he says.

Before the fall run, Johnson and other cooperators gather for a meeting to go over protocols, meeting with the feedyard's nutritionist and Pfizer Animal Health representative.

"They tell us what they expect and give us the chance to ask questions," Johnson says.

The system seems to be working. At the feedyard, death loss is less than 0.25%. Todd says everybody takes ownership.

"They come from established family ranches, and when they're treated that way at

CONTINUED ON PAGE 113

## Designed to Succeed

CONTINUED FROM PAGE 111

home, they'll perform for you," he notes.

And those cooperating grow-yard operators? "They treat them like they own them," Bill says. The hands-on feedyard crew continues with that philosophy, and they're rewarded for favorable results, getting low death-loss bonuses. Feedlot manager Scott De Jong and the staff make herd health a priority.

"When you're holding your death loss down, that means you're holding your sickness down, which makes your end product that much better all the way through," Bill says. That matters because grids are a major component of the Redstone marketing plan.

"Rather than just feeding for a margin, we need to make it on the cattle," Todd says. "Probably 95% of our calf purchases will be black-hided. We need that black-hided animal because it gives us a marketing alternative that isn't just pounds."

Of course they aren't writing off that part of the equation, either. That's why they prefer to know more about the genetics than just color.

"When I buy cattle, I've been looking at the bull power on them," Todd says.

He's also interested in giving ranchers the tools to make decisions on which sires are getting the job done.

"We'll share the carcass data back, and the good producers will ask for it," Todd says. Rather than use it as pricing ammunition against the feedyard the following year, often it's a relationship-builder, he says.

The brothers show concern even that may not keep the suppliers consistent in the coming years. Drought threatens herd reductions, and fewer people are coming home to ranch.

"There's an easier way to make a living," Bill says.

Yet, they're hopeful their own family will continue the legacy they've started. Combined, the next generation numbers nine, not including spouses. More than half of them are involved in the farming and feedlot operations, and grandkids add to that promise.

"They're all going to have a place to farm, if they want to," Bill says.

Family meals no longer feature talk about starting a feedlot from scratch, but they turn to the next phases for expansion: more barns, a working facility and creative ways to deal with this drought.



**Editor's Note:** *Miranda Reiman is assistant director of industry information for Certified Angus Beef LLC.*