

Documented Dollars

Taking nothing for granted, Minnesota Angus farm proves added value.

Story & photos by **Miranda Reiman**

Some cattlemen expect premiums. Schiefelbein Farms, Kimball, Minn., is making sure its customers deserve them.

"We had a hunch that it was occurring, but we wanted to show how much value was being added just by purchasing the right kind of genetics, feeding them out and selling them through premium programs," says Don Schiefelbein, one of eight brothers who operate the farm with their parents, Frank and Frosty.

That's why the family applied for a U.S. Department of Agriculture (USDA) Rural Development Grant. The program supports more than 125 proposals each year.

"They look for projects that will turn commodity agriculture products into value-added ones," Don says. Other examples recently funded include feasibility studies on alternative fuels, marketing plans for locally grown fruits and vegetables and capital expenses for starting a winery.

"Helping producers work together is a win-win situation for everyone," says Paul Sands, marketing specialist with the Minnesota Department of Agriculture. He connected the Schiefelbeins with a consultant to help write the grant.

"We submitted an application that took genetics and turned them into value-added genetics," Don says.

The 58-year-old farm received \$275,000 in the October 2007 to September 2008 fiscal year.

"The more people the grant affects, the better chance you have at getting funded," Sands says.

Adding value

Cattlemen have to buy genetics regardless, but the Schiefelbeins proved their genetics added more dollars to the beef chain.



"We purchase calves through our customers, put them on feed, do DNA testing and collect carcass data on those animals," Don says. "We did some of the same things on the live bulls we were selling our customers."

The Schiefelbeins procured the cattle and the grant covered the cost of tests, ultrasound scans, data collection and recordkeeping.

Although the family feeds at several yards from Texas to South Dakota, they centralized this project at Circle 5 Feedyard near Henderson, Neb., a longtime partner yard.

"When people go to merchandize their calves, if they've bought bulls from us, we'll try to help them sell or we'll bid on them," Frank says. "We'll buy them for feedlots.

They'll tell us what they want and what they think they can pay."

This recent project helped define the

worth of the calves even more precisely.

"Marbling is the largest component," Don says. "It's extremely important going from Select to Choice, but we wanted to go a step further and see what we could add by getting cattle to higher levels like *Certified Angus Beef*[®] (CAB[®]) and Prime. That's where the real premiums lie."

A group of 45 Schiefelbein cattle that didn't make the cut as breeding stock sold to

Niman Ranch, a CAB Natural licensee. There they made 89% CAB, including five CAB Primes.

Another 20 head were the top group harvested through the Montana Branded Beef Association (MBBA) last year. They went 70% Choice and 30% Prime, returning more than \$110 over the cash price. That lot bested the next closest by \$25 per head and the entire MBBA average by \$80.

"When you want to market your cattle, if you can guarantee what they're going to be, you can find a buyer that wants exactly what you have," Frank says. "If you know your genetics and you know your feeder, you can pinpoint what kind of calves they'll be and when they'll come out."

This very specific marketing pays off.

"We added around \$30 to \$40 per head on cattle in this project," Don says.

Documenting value

Although the grant year has ended, the effects could be far-reaching.

"It allows us to genetically produce cattle that add value for our customers by learning about our animals," Don says. "The bulls that we'll offer in the future, because of all this extensive testing, will have value-added genetics in them."

The bull customers who supplied the calves got all the data back, too, and can use it to improve their own herds.

"Through proper selection, when you consider the genetic pool of the Angus breed and others, when you match those genetics correctly and merchandize those to the right people," Don says, "there are some value-added opportunities that make those commodity cattle look like a big mistake financially."



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Steve Christensen couldn't agree more. He works in cattle procurement for the MBBA, a cooperative of ranchers whose goal is 90% Choice or higher for all the cattle they feed.

"You can average about \$300 between the top cattle and the bottom ones. Going in, looking at them, you can't tell the difference, but some just grade better and are more efficient," he says. "It's amazing what the packer will pay for the right cattle."

Three years ago Christensen started dealing with the Schiefelbeins, buying 40 bulls for his customers. This year he hopes to get close to 100.

"You've got to be very careful with what bulls you buy for guys, so you don't take them backward. It takes a long time to make improvements through genetics," he says, noting birth weight, scrotal circumference,

ribeye size and marbling in his selection criteria. "I've never found so many bulls with balanced traits in one place."

Getting started

The family's focus on quality has been a cornerstone of the farm since the beginning, perhaps accidentally at first.

"I was born and raised in north Minneapolis, and I didn't know anything about farming," Frank says. "But I knew they had to be affordable and they had to taste good."

With that charge, he bought his first Angus heifers from an Earl Marshall line, and they've rarely bought another female since. Keeping their own replacements, they've grown from 80 acres and 50 cows at the start to 600 cows on more than 4,000 acres.

"Our son Danny is our geneticist, and he matches every single mating," Frank says. "We match for overall uniformity, so when you look at our cows, they're all going to look about the same even though we use different sires."

That helps with consistency from breeding through feeding and harvest, all the way to uniformity for the consumer, too — something they always keep in mind.

"Not only does it impact our bottom line, but it has a tremendous cascading effect because it affects our customers' bottom lines. Even further, it's going back to those who sell the high-quality brands like CAB," Don says. "It supplies their needs and has a positive impact on our whole beef industry."



Closeknit

Frank Schiefelbein II manages Schiefelbein Farms, a 600-head registered Angus farm near Kimball, Minn., but says he has just one task.

"My main job is to keep the boys happy, the daughters-in-law happy and my wife happy," he says. "That's all I have to do. It might be the hardest job, but it's the most fun."

Of course, he does much more. He builds customer relationships and is often seen bidding on customer calves at auction barns; but with eight sons, all married with children, keeping the family farm together could be a full-time position.

Frank's light-hearted demeanor likely shaped the family philosophies that govern the farm today.

"You either get along or you leave. That's the system," he says with a smile. "You're allowed two days of being grumpy. If you're grumpy over two days, you might as well stay home until you get it in your head that you're not going to be grumpy."

That approach must work because the whole crew works side-by-side all week, and the weekend finds them enjoying time on one of the three lakes on their property.

Frank's sons, except for Bill who died in 1992, are all involved in the farming operation:

- ▶ Frank III does the artificial insemination (AI) and manages the health program.
- ▶ Rick is in charge of all of the buying.
- ▶ "Bob is what we call our straw boss," Frank says. "He keeps things going on a daily basis." He also oversees some of the crops.
- ▶ Tom is the welder/mechanic and does most of the feeding.
- ▶ Mike does all of the trucking and helps with the crops.
- ▶ Don is the "outlook person," who does the long-range planning and keeps the books.
- ▶ Tim is the marketer and coordinator of the customer buy-back program.
- ▶ Danny is the geneticist, who matches all the AI and natural sires to the cows individually.

Two grandsons have also joined the ranks. Frank IV handles the embryo program and Sam is the diesel mechanic and a crop farmer. They all check cattle, help with calving and pitch in for big projects like building improvements.

Very few of "the boys" can claim the same collegiate alma mater.



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Each one brought back diverse experience from locations equally varied, from Colorado and Michigan to North Dakota and Texas.

"Each of those schools was known for a different phase of the industry, and when we brought them home, they knew exactly what the industry needed," Frank says. Some of them also worked away from home — for another farmer, a different breed association and a packer — before returning to their roots.

And to think those roots might have never been planted, had it not been for love of walleye.

"My dad bought this place because he wanted to fish," Frank II says. "He dropped my mother and brother and I off in the summer, and he'd work all week in the city."

Frank got bored on the water and spent his time helping the local farmers.

"I went to college, and I got out of there as fast as I could," Frank says. With a degree in mathematics and physics and two years of Air Force experience under his belt, Frank brought his wife, Frosty, to the farm.

"We lived in an unheated farm house with no water," he recalls. "She cried for two hours because I always said I was going to farm and she never believed me."

Now it's hard to imagine this family doing anything else.