

Creating Opportunity in Rural America



Outreach program offered by the University of Nebraska College of Technical Agriculture at Curtis helps those who want to ranch.

Story & photos by **Troy Smith**

Like a lot of ranch-raised kids, Jon Brohman held high hopes of joining the family cattle operation. Located near Callaway, Neb., the ranch was a fairly traditional kind of cow-calf outfit. Cows were bred to calve in the spring and, except for heifers saved for breeding, the calves were sold in the fall. Most years, the hay ground yielded enough feed to see the herd through the winter in good shape. While Brohman was growing up, the ranch supported two households — those of his parents and grandparents.

As is the case with many family ranch situations, however, there was little opportunity for the operation to generate sufficient income for a third household. Consequently, Brohman applied his college education toward a career in the city. Employed by a company with a large chain of home improvement stores,

the business management major became general manager of a store in Omaha. Still, he harbored hope of going back to the ranch.

“It took nearly 20 years to make it back,” says Brohman, of his return to ranching about five and a half years ago. “And I don’t think I could have stayed without some help.”

That included the help of Brohman’s father, Harold, who was operating the ranch alone by then. He had started to think about how the eventual succession of ownership might occur. The younger Brohman’s original plan was to help his father as much as possible while holding an off-ranch job. Leery of going neck-deep into debt, he would have to build his own herd slowly by

purchasing a few cows each year. It would be a long process.

Then Brohman heard about the Outreach program offered by the University of

Nebraska College of Technical Agriculture (NCTA) at Curtis. An initiative aimed at nontraditional students and other aspiring cattle producers, it provided the additional help Brohman needed.

The Outreach program

The Outreach program is an offshoot of NCTA’s 100 Beef Cow Advantage program (see *Angus Journal*, March 2008), which has gained considerable attention for its goal of preparing NCTA graduates to enter production agriculture with more than a diploma in hand. They also own a herd of cows.

Along with completing the coursework, each participating student develops a business plan and applies for financing under provisions of the USDA Farm Service Agency’s guarantee for loans to beginning farmers and ranchers. According to Weldon Sleight, dean of NCTA, program graduates don’t have to purchase 100 cows right off the bat. They can start with a smaller number. However, Sleight says the ability to borrow up to \$300,000 at rates as low as 1.25%, and with

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— Weldon Sleight

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little or no down payment required, does make the purchase of 100 beef cows a realistic objective.

Cattle ownership then helps position a recent graduate to engage in a mutually beneficial business relationship with an established cattle producer. Ideally, the young person is paired with an employer who has carrying capacity for some extra cows — someone who is genuinely interested in mentoring the employee and helping him or her build equity and work toward establishing a sustainable cattle operation.

It's possible for a 100-cow herd to increase threefold in 15 years, and Sleight figures a young rancher probably needs 300 cows to strike out independently. At some point, the cattle can serve as collateral to buy land. Sleight and NCTA instructors warn students that it can and probably will take a long time to acquire a viable ranch. In some cases it may take 25 or 30 years. Each situation will be different, but success will require a long-term commitment.

The program's potential proved attractive to current and prospective students. The concept appealed to other people as well — adults longing for an opportunity to make their own start in the cow business.

"The Outreach program was established for the adult that's out there working in the industry but doesn't want to be a hired hand forever," explains Sleight. "It's for those that said to us, 'Hey, what about me? I want to get involved or stay involved in production

agriculture, and I'd like to own an operation of my own someday."

For Outreach participants, practical working and life experience takes the place of some college courses required of traditional students. Instead of spending two years on campus, Outreach participants take four courses over an eight-month period. These include a basic farm and ranch management course delivered over the Internet; the NCTA Cow-Calf College for three days in May; the Nebraska Ranch Practicum, with several sessions during the summer; and the Nebraska EDGE (Enhancing, Developing and Growing Entrepreneurs) program that helps them develop a business plan and partnership agreement with an established farmer or rancher. Instruction covers production aspects of ranching, including animal health, nutrition, low-stress cattle handling and grazing strategies, but also business accounting and risk management.

The Outreach Program proved to be a good fit for Brohman. Upon completing the coursework, developing a business plan and securing a loan, he purchased 100 cows and five bulls. As it turned out, the timing was about right, and a dip in bred-cow prices



PHOTO COURTESY GARRETT DWYER

► Garrett Dwyer is the "poster boy" for the Combat Boots to Cowboy Boots program, which is aimed at helping veterans of military service return to their rural roots and establish viable agricultural operations or Main Street businesses. Dwyer is a former marine who enrolled at NCTA and signed up for the 100 Beef Cow Advantage program.

worked to Brohman's advantage. He entered into a business agreement with his father, which allows Brohman to increase his own herd numbers over time.

"I pay my dad for pasture and hay by supplying him with labor, but I'm self-employed and don't have to hold a town job," explains Brohman, who also brings some new knowledge and perspective to the table.

"I worked on the ranch while growing up. I thought I knew quite a bit about it," grins Brohman. "But I learned a lot through the courses, and from other people involved in the program. We're trying to put some of that into practice in our grazing management and the use of byproduct feeds for supplementing cows on range. We're also paying really close attention to ranch economics."

Part of transition plan

There was a time when ranching seemed economically prohibitive to Lucas Bear. He worked eight years as a mechanical engineer before joining the ranching operation of wife Kendra's parents. Bear says his father-in-law, Wayne Cobb, wanted to get the younger couple involved. He hoped they could eventually take over the ranch, located near Merriman, Neb. Participation in



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the NCTA Outreach Program and the acquisition of cows helped them gain some financial footing (equity) and establish a working arrangement with Cobb.

“My father-in-law couldn’t just hand the operation over to us, but he was ready to share responsibility and start the transition process. He thought NCTA had a good program, too, and he was really supportive. He’s been a good mentor and wants to make it work,” explains Bear.

“According to our agreement, Wayne runs a certain number of our cows. We pay him for the feed eaten by cattle above that number. Kendra and I used our low-interest loan to buy our first 100 cows — short and solid-mouth cows that were pretty affordable. Now we’re developing our own replacement females to build up our numbers.”

The combined Cobb-Bear cow herd calves in the spring. Calves are backgrounded through the following winter, utilizing homegrown silage, alfalfa and native hay. Come spring, the calves are returned to grass and marketed as 1,000-pound (lb.) yearlings by mid- to late summer.

A direct benefit of Bear’s coursework, particularly the Ranch Practicum experience, was his introduction to byproduct feeds. As a result, distillers’ grains and corn gluten pellets are now used to formulate cost-effective calf-growing rations. Rotational grazing systems are being fine-tuned. A particularly successful practice has involved early-season grazing of some pastures by yearlings. Allowed to rest and recover for the remainder of the growing season, the dormant regrowth in those same pastures provides winter grazing for cows.

Bear praises the NCTA’s outreach program for fostering arrangements beneficial to the older, established rancher as well as the anxious beginner.

“It’s great for the younger person who doesn’t have the land base, but it can be pretty good for the older person that needs help or knows he’s going to need it. And it can start a process for making sure the operation continues into the future,” states Bear.

More options

According to Sleight, the future of agriculture and rural America is what NCTA’s specialty programs are all about. There are more programs for helping students build collateral and gain experience through their

association with someone who is already established in business. For young people interested in crop production, NCTA offers the 100 Acre Advantage program. Sleight says land purchases are more likely to involve 80, 160 or more acres, but the goal is to prepare students to obtain a loan for the purchase of cropland and partner with a veteran farmer.

“Achieving the goals of that program has been more challenging. Prices for cropland have climbed so high that it’s difficult for young people to make an initial purchase,” admits Sleight. “However, we think it has prompted farmers and students to think about succession planning and ways that young people can get involved. We still think it could help them, once land prices stabilize and commodity prices are less volatile.”

Sleight says another initiative called Business Builder is designed to match NCTA students with existing “Main Street” businesses in rural communities. Many small-town merchants are growing older and have no one to follow in their footsteps. The objective is to have students interested in taking over those businesses develop partnership agreements with the current owners. Each student prepares a business plan for the specific situation and applies for a loan to buy a piece of the existing business. The senior partner serves as a mentor during the time it takes for full ownership to transfer. Sleight says it’s critical that the original owner help the young person become established and retain the customer

base, rather than letting patrons go out of town for the same service.

A program dubbed Combat Boots to Cowboy Boots is aimed at helping veterans of military service return to their rural roots and establish viable agricultural operations or Main Street businesses. The program’s “poster boy” is Garrett Dwyer, a former marine who enrolled at NCTA and signed up for the 100 Beef Cow Advantage program. He now ranches with family near Bartlett, Neb., managing his own 125-head cow herd. It was Dwyer who encouraged Sleight to reach out to other veterans. He remains a program advocate.

“Seventeen percent of the U.S. population lives in rural areas, but nearly 45% of military personnel have rural backgrounds,” states Dwyer. “A lot of them would like to come back, but they don’t know how. They want to come back, but they need help.”

Sleight believes young people must come back and raise families to revitalize rural communities. To survive, these communities must keep their young people from leaving forever. It’s not just their own parents who must help them find opportunity.

“We should be courting youngsters even before they leave for college, convincing them that the potential for success exists — that they have a future,” adds Sleight. “I tell people that we have to put our arms around our kids and invite them to come home, but we have to help make that happen. It’s absolutely essential.”

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► There was a time when ranching seemed economically prohibitive to Lucas Bear. Participation in the NCTA Outreach Program and the acquisition of cows helped he and his wife, Kendra, gain some financial footing (equity) and establish a working arrangement with his father-in-law Wayne Cobb.

PHOTO COURTESY LUCAS AND KENDRA BEAR