

Generations of Success

Dalebanks Angus Ranch is proud to be transitioning to the fifth generation.

by Kindra Gordon



PHOTOS COURTESY OF THE PERRIER FAMILY

May 1, 2004, marked a milestone for Dalebanks Angus Ranch near Eureka, Kan. On that date, Matt Perrier, his wife, Amy, and their young daughter, Ava, returned to the family Angus operation to join Matt's parents, Tom and Carolyn, in the business. It was a notable reunion because the two families represent the fourth and fifth generations to own and operate Dalebanks Angus, an accomplishment they regard with pride and a little trepidation.

"I feel proud and apprehensive — proud of my parents' and ancestors' dedication to the ranch, but apprehensive about my ability to continue the business into subsequent generations," says Matt, who returned to the family ranch after getting a college education and spending several years working in the cattle industry.

Today, he good-naturedly refers to himself as "G5" — short for fifth-generation. His ancestors settled in Greenwood County, Kan., in 1867, and the registered Angus cow

herd that started Dalebanks Angus was begun in 1904.

Matt continues, "There is an old rule that says, 'The first generation starts a business. The second generation runs it. And the third generation ruins it.' So, it appears to me that I'm already living on borrowed time."

But in the seven years since Matt and Amy returned to the operation, now with four young children, they have been working diligently with Tom and Carolyn to ensure that Dalebanks Angus Ranch does successfully transition from the fourth

generation to the fifth — and possibly generations beyond that.

Of the transition process, Tom shares this advice to others, "First of all, everyone needs to be committed to the transition, and the transition needs to be both in assets and responsibilities."

Here, he and Matt share their candid comments about navigating the sometimes difficult transition of a ranch business from one generation to the next, and what strategies are working for them.

Learning from the past

Tom and Carolyn gained experience in the ranch transition process when they took over from the third generation.

"My father recognized what I had to offer to the operation and that was important," Tom says. "What each generation has to offer needs to be recognized and utilized."

Most ranching operations need lots of hard labor, and a common mistake is in only using the next generation for that labor, Tom notes. "Efforts need to be made to use the transitioning generation for more than just labor. Matt and Amy have many talents and much to offer. Thankfully, some of these talents are in areas in which Carolyn and I are less knowledgeable."

In addition to tapping the talents of the next generation, Tom notes that skilled succession planning and the ability to adapt are essential.

"My father was definitely interested in having the ranch continue in the family, but there were issues with the way the transfer should proceed," Tom says. "It especially came to light when circumstances changed and the plan needed to be modified."

From those experiences Tom and Carolyn have learned that things — such as tax laws and family situations — do change, and strong relationships and communication are critical to help overcome those obstacles.

A third guiding principle that Tom says he believes in is that members of the family who are actively involved need to have a larger share of the ranch ownership.

"Equal is not fair, or fair is not always equal," he says. "Other members of our family have some ownership, but their ownership should not endanger the successful continuation of the ranch when something happens to the transferring generation."

Tom adds, "For any transfer to be successful, you cannot burden the next generation with liabilities that they probably can't handle. Don't build a plan that cannot succeed in the long term. Of course, all problems cannot be accounted for, but try to foresee areas of concern."

► **Above:** Matt Perrier (left) and his father, Tom, are taking a proactive approach to transitioning the family farm.

► **Right:** The Perriers' ancestors settled in Greenwood County, Kan., in 1867.



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Communication is critical

Matt is appreciative that his parents are dedicated to building on their past experiences and working to improve the transition process.

“Because of some challenging communication with prior generations,” Matt says, “my parents have been very proactive in terms of financial and estate planning for the transition of Dalebanks to future generations. While none of us like to talk about money or wealth transfer, that [lack of communication] is usually the reason the majority of businesses do not make it to subsequent generations.”

That said, communication is an integral part of the relationship the two Perrier families have developed over the past seven years while working together.

Matt explains, “From a tactical standpoint, we try to communicate schedules to everyone on a weekly basis. Each Sunday, we send an email calendar to each other highlighting the main tasks, meetings and activities scheduled for each day of the week. Obviously, the weather and other unforeseen circumstances can alter this schedule on any given day, but it gives us a bit better handle on what everyone is planning.”

While day-to-day communication is in place, he admits they are still working to enhance their system. As an example, Matt says, “We are often challenged with strategic decision-making and communication regarding long-term goals and objectives. This is a generational divide with which we, like a lot of families in the beef industry, seem to struggle.”

Keeping things in perspective

As the next generation that will own and

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Managing for success

In addition to their focus on estate planning and transferring Dalebanks Angus to the next generation, the Perrier family has also devoted a great deal of thought to their management practices. Here are highlights of some of their efforts:

Tom Perrier and his son Matt recognize that without attention to natural resources, the lifespan of a farm or ranch is going to be relatively brief. Thus, Matt explains they are very attentive to issues of stocking rate, grass diversity, water quality and biodiversity.

Matt adds that as feed and fuel costs continue to rise, they strive to maintain a focus on optimum levels of production — both in their cow herd and farming operations.

As an example of managing their resources with better efficiency, the Perriers have converted some marginal farm ground to cool-season grass paddocks, and use electric fence to intensively graze those paddocks prior to each breeding season.

“This, along with genetic selection for mature size moderation, has enabled us to reduce the amount of delivered protein supplement or hay to our cow herd, while increasing their body condition score at breeding.”

Additionally, he explains that the genetic selection tools available today enable them to select lines — in both cattle and crops — that will perform efficiently under varying environmental levels.

“Our cows are forced to perform on a very conservative plane of nutrition — oftentimes below that of our commercial bull customers,” he says. “This enables us to naturally select for cows that will raise a sizable calf and breed back in a demanding setting. It directly improves our sustainability, plus benefits our customers’ profitability when they use bulls produced in this scenario.”

From a marketing standpoint, Dalebanks Angus is committed to producing quality genetics for the commercial and seedstock sectors and is a seedstock partner with U.S. Premium Beef (USPB).

Matt says, “Since the foundation cows were brought to Dalebanks Angus in 1904, our family has been focused on producing no-nonsense, ‘do-it-all’ bulls for the beef industry, and this will not change. Additionally, as a result of our focus on our commercial customers’ needs, we have meanwhile created an exceptional cow herd. These females combine optimal EPD (expected progeny difference) trait levels with longevity and reproductive soundness, traits which truly drive profitability in any cow herd — registered or commercial.”

He adds, “We look forward to the Dalebanks brand in more seedstock herds in the coming years.”

He also foresees involvement with consumer-focused companies such as U.S. Premium Beef (USPB) as a key to the beef industry’s survival — and in turn being an integral part of the future success of Dalebanks Angus.

“After decades of lost beef demand,” Matt says, “USPB, and now many other processors, have proven how premiums placed on desirable production targets can improve the quality and consistency of beef. As we go forth in the competition for food dollars, these types of forward-thinking companies will enable beef producers to meet consumers’ needs and preferences, therefore improving the marketability of our product.”

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operate Dalebanks Angus, Matt admits his return to the ranch has been a transition in and of itself.

Among the changes he's re-adapted to are the physical labor required of ranch work compared to his former "office job." The balancing act between work and family time is also something that has been challenging.

"While the house is a place of solitude for many people, it is usually 'the office' for farmers or ranchers," he points out. "That is difficult for a young family to handle."

He credits Amy, who also grew up in production agriculture and understands the culture, with making sure Matt maintains a balance between ranch responsibilities and family time.

The Perriers also strive to include siblings and their spouses, Mark and Kelly Perrier and Michele and Russ Callejo, in the ranch operation.

"They come back frequently for our annual bull sale, major cow work days and other holidays," Matt says. "Plus, we use them as everything from consultants to 'board members' when we need a fresh perspective on an issue facing the ranch."

As he looks to his goals for the future, Matt says, "My first basic hope is to continue this ranch's ability to economically support not only our family, but also support our small rural community and region, just like my parents and ancestors have."

He concludes, "If our kids can grow up to be respectful, hard-working contributors to this world — and our cows can do the same — then I believe Amy and I will have left a worthwhile legacy for history to scrutinize. Whatever new ideas, concepts or achievements that come about during that lifelong course are just positive byproducts of the process."



Advice to consider

Matt Perrier believes that one of the best pieces of advice he got from his parents was to spend a few years off the ranch.

“My parents were insistent that each of the kids in our family go get an education and then get a job elsewhere before returning to our family’s operation,” Matt shares. “Each of us did this, and I believe that it was of great benefit.”

He continues, “I realize that this is not possible in some situations, but I think it is worth consideration when a younger generation is considering their future with a family business.”

Perrier notes that there is a risk that life “away from home” will be too great of an attraction to resist, but he says he believes the potential benefits outweigh the risks.

“Since Amy and I had the ‘big city’ experiences for several years after college, today we can better appreciate the benefits that ranch life offers,” he concludes. “Sure, we may think the grass looks greener on the other side of the fence at times, but we now realize that it just might be better here in our home pasture.”



► The ability of the sixth generation to return to the ranch will depend on successful transition planning now.