



Fine-Tuning the Tide of Change

Ponoholo Ranch focuses on competitive advantages to overcome unique obstacles.

by Kim Holt

On Hawaii's North Kohala Mountain, Ponoholo Ranch's biggest challenge is similar to other Big Island ranches: distance to market — 2,500 miles. But owner and manager Pono von Holt continues to overcome this obstacle by identifying his ranch's competitive advantages, concentrating on resources and applying technology.

Educated with both bachelor's and master's degrees in agricultural economics, von Holt began working on the Kahua Ranch in 1972 with his family and partner Monty Richards. Through an amicable split in 1980, the Ponoholo Ranch was formed from Kahua.

Today, Pono and Angie von Holt, with assistance from five employees, manage 4,500 cows on the 11,000-acre Ponoholo.

"We sit on a part of the Big Island that I think is some of the best ranch country in the world," von Holt remarks.

Managing for extremes

In the late 1980s, when they decided to ship calves to the mainland, Ponoholo had to rethink its business strategy. Von Holt says they asked themselves what they could do best in order to concentrate on a low-cost cow-calf operation.

"The first thing is we identified our competitive advantage as year-round grazing," von Holt says. "There is lots of grass — that is our competitive edge."

The pasturelands on Ponoholo have been intensively rotational-grazed for nearly 30 years, allowing this ranch to double its stocking rate. Von Holt says they break down their herd structures according to about four different climate zones and manage their lands for the extreme, whether it's elevation,

temperature or rainfall. Too much rain may be 120 inches (in.) at the top and too little may be just 6 in. at sea level.

"Our middle country, which is our best, under normal rainfall will run 1 cow per acre," von Holt says. Their driest allows for one animal to 12 acres, and their highest country is 1-to-5.

Ponoholo ranchlands are descriptive of the diversified terrain found on the Big Island, spanning from tropical rain forests to desert, all within 10 miles.

As far as cow maintenance costs, von Holt says these can be all over the board on the island, like on the mainland. "Generally without having to grow and store hay and feed in the winter, a good ranch should be able to maintain a cow on about \$250 a year," he estimates.



Striving to improve

Ponoholo's goal is to produce calves that will grade 90% Choice or better and achieve Yield Grade (YG) 1s and 2s.

"We generally try to look at where we can improve on our cattle," von Holt says. "It moves with the market so to speak. But we're always looking for cattle that have a combination of good carcass characteristics as well as growth and performance characteristics."

Born out of Kahua, Ponoholo Ranch foundationally started with the same herd genetics 30 years ago as that ranch. Ponoholo and Kahua's use of artificial insemination (AI) traces back some 40 years, and today the two ranches even choose similar AI sires.

"Today we wouldn't want to use a bull, especially in the Angus breed, that didn't have good tenderness data as well as better-than-average marbling and better-than-average ribeye," von Holt says. "Some of these traits can be contradictory, but there are bulls that can excel."

Von Holt is somewhat concerned about getting his cattle too big, and does pay attention to the frame score of potential AI sires. "But the market still says as long as you stay under a 950-pound (lb.) carcass you're doing okay." A Ponoholo cow nearing the end of gestation will weigh 1,100 to 1,200 lb.

"We never find everything we want in just one, but we can find everything we want in a couple of bulls." Von Holt says they generally use two new AI sires annually, and then will use these genetics for about three years.

He has stayed with the Angus breed as a herd base for several reasons. Von Holt believes Angus is a good maternal breed that is mid-sized and milks well. They also don't have the physiological problems with the



► Pono and Angie von Holt believe their Ponoholo Ranch's Big Island location is some of the best ranch country in the world.

PHOTO BY KIM HOLT

island's wind, dust and tropical sunshine as the white-faced cattle and, he says, they're also a better carcass breed.

To capitalize on the benefits of hybrid vigor — namely growth and performance with respectable carcass quality — Ponoholo crosses about half of the commercial herd with Charolais bulls. “Hybrid vigor — nature's free gift — this is one of the best things we have,” von Holt comments.

They AI about 300 purebred cows each year — two-thirds Angus and Red Angus and one-third Charolais — in order to obtain their ranch's own purebred herd sires.

This bred-and-owned bull battery is turned every three to four years in order to keep genetics fresh and bulls young. Von Holt explains that younger bulls are easier to handle. They're also more aggressive breeders and, therefore, cover more cows. Their lighter weight also allows them to cover the rocky, rough country easier.

Coordination is key

Ponoholo's country is also broken down by season for calving, which depends on temperature and rainfall. In the lower country it's wet and warm in winter, so they calve there in late fall and early winter. In the upper country, it's too wet and cold in the winter, so they'll calve there in late spring.

Von Holt markets 400-lb. calves the same way as Parker and Kahua — into Ranchers Renaissance and Country Natural Beef. Their calves are targeted for the natural market, are source- and age-verified and are tagged with electronic identification (eID) tags before leaving the ranch gate. Retained ownership is another of Ponoholo's key strategies.

Through participation in Hawaiian feedlots and packing plants, Ponoholo knew that Choice cattle were always worth more money. “Our breeding program is geared toward trying to produce Choice cattle,” von Holt explains. “When we came to the mainland we knew we could beat the industry average, so it made sense for us to hold onto them.”

To help control risks, this ranch tries to be in at least two or three different marketing programs in different regions of the country. “It's all about not putting all your eggs in one basket,” von Holt remarks. “We know there is a lot of change in the industry; some programs will be successful and others won't. We're always trying to find a little better mouse trap.”

He says, “The key is to be coordinated so that you can get your information back.” Information and participation are really valuable, he points out. “Participation is how



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►Shipping day for Ponoholo calves means being loaded into “cowtainers” for a trip across the ocean. These modified freight containers are equipped with waterers, feeders and windows, and can fit about 70 head of three- to fourweight calves inside. Pono von Holt says their producer's cooperative initially used regular pot-bellied semi-trailers to load and ship cattle, but the shipping line asked the group to adapt a container for cattle use, thus the “cowtainer.” On ships there is more space available for containers than roll-on cargo.

you learn. When you know your cattle and you have information on them, you know where your weak points are.”

Doing things differently

Ponoholo has shipped cattle to the mainland, mostly in cowtainers, for 20 years, and says they're pretty comfortable with the process. “We're used to it; we know the cattle will be fine and we deal with good people. Our losses are way below a tenth of a percent.”

Von Holt adds, “Probably our biggest risk is on the mainland in the fall and winter,” when cattle are trucked through potential ice and snow. “We retain ownership on the cattle so we worry about the animals all the way until they're in the box, so to speak.”

Tim Richards, a veterinarian from Kahua Ranch, is just over the fence and consults with Ponoholo on herd health. “We

constantly talk about how to wean and brand better. And how to manage with low stress,” von Holt says. Ponoholo has incorporated low-stress handling practices during the last several years.

Aside from raising fourweight calves, Ponoholo is also working with Kahua and Parker to develop a Hawaii Wagyu branded product it can market on the mainland. He's not yet sure if they can put some more “sizzle” in the Wagyu by creating a grass product out of it, but time will tell.

They've also been marketing grass cattle as a niche market on the island, but it's been a challenge the last couple of years. “Our big problem is getting the infrastructure back in place again to process larger quantities of cattle,” von Holt explains.

Before cattle shipped to the mainland, Kahua and Ponoholo were co-owners in a packing plant in Honolulu. Today, there are five small packing plants in the islands; two are on the Big Island.

Von Holt would rather not enter the packing business again but knowingly remarks, “We're probably going to have to,” in order to gain capacity for a several-hundred-head weekly market.

From a lifetime in the beef business, he knows that change is a constant in this industry — and that it's a myth to expect different results if you do things the same over and over each year.

“It doesn't happen,” von Holt assures. “This won't create change.”



►Ponoholo Ranch raises its own bulls through AI from its purebred herd of Black and Red Angus and Charolais females.

