

wisconsin grass-fed beef cooperative

WISCONSIN
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100% Grass-fed Beef

Meadow View

Volume 9, Issue 1 • January, 2018

Here's the latest edition of our Meadow View newsletter!

The 1st issue of the year is mailed to everyone in the co-op so you get the info on the annual meeting. Then you should receive a shorter electronic version by e-mail quarterly.

Help save the co-op some money! If you have been getting the quarterly newsletters in the mail, and can provide us with your e-mail address, we can save on how many printed copies have to go out, and you will get additional monthly updates from the management team on cattle and pricing topics, as well as the newsletter. *Please ensure we have your current e-mail address.*

Member participation in a cooperative is vital! We welcome your feedback or questions, as well as contributions of articles, recipes or photos, upcoming grazing events or news from your part of the state.

We can use a few members to help staff our booth at GrassWorks this month. If you are attending the conference, contact Mandy to volunteer at the booth for a couple hours – set up and tear down help also appreciated!

Should you no longer wish to be a member of the WGBC, see back page for buy-out information.

To contact someone at the co-op, our new e-mail address is: **more.info@wisconsingrassfed.coop** or mail to: **Box 269 Viroqua, WI 54665.**

We'll be sure to direct it to the appropriate staff or board member.

Annual Meeting of the Wisconsin Grass-fed Beef Co-op Saturday, February 10th, 2018

Wintergreen Resort & Conference Center
100 Gasser Road, Wisconsin Dells, WI 53965
(same location as last year)

From I-90/94, take Hwy. 12 – exit 92 (by Great Wolf and Kalihari) and go north on Hwy. 12 to first stoplight, then left (west) on Gasser Road.

**Members, please RSVP to Mandy by January 30th at
608-489-2162 or e-mail: more.info@wisconsingrassfed.coop**
(read more about the meeting inside)

President's Message

As most folks do this time of year I have looked back at this last year of the co-op. We have a great deal to be thankful for as we have a co-op that is growing in members and in the numbers of cattle shipped. We continue to improve our infrastructure which includes our new branded delivery van, updates to our website and improvements to our tiered producer pay program. We now are starting to sell 30-lb. boxed beef on our website! We continue to update our processes for the co-op which becomes even more important as we grow with our producers, our staff and our processors.

Looking Forward

I very much look forward to our producers panel at our annual conference this year. Our biggest challenge in the past was simply to get enough cattle to satisfy our orders, now since we have developed a good supply, our focus is looking at the quality of our product. This year's panel *Secrets to Successful Grass-fed Finishing* will help us as producers learn from the speakers as well as from one another.

Remember to allow some time to have some food and drink after our formal program is over to catch up with old friends as well as making new co-op friends! Look forward to visiting with you!

**Russ Endres –
WGBC Board President**

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Wisconsin Grass-fed Beef Cooperative – 2018 ANNUAL MEETING AGENDA

February 10, 2018 – Wintergreen Resort and Conference Center, Wisconsin Dells, WI

- 9:00 am WGBC Annual Meeting Registration – Members only
- 9:45 am Call to order – Welcome, Member Introductions, Additions/Corrections to the agenda*
- 10:00 am Reading and Approval of 2017 Annual Meeting Minutes
- 10:15 am Treasurer’s Report / Handout – AR, AP, Payment Terms, Balance Sheet Summary
Reading Pay Stubs
- 10:30 am 2017 Business Summary and 2018 Outlook
- Our 10th Anniversary Celebration!
 - 2018 Key events and member participation
 - Announce Patronage Dividend
- 11:30 am Member of the year and Producer of the year announced
- 11:45 am Board Member Nominations and Election (nominations accepted from the floor)
- Noon Lunch (move to dining room) and Networking
- 12:30 pm Registration opens for afternoon program**
- 1:00 pm Reconvene – Election results announced; Welcome guests attending afternoon program
- 1:15 pm WGBC Producer Panel “Secrets to successful grass-fed finishing.”
Laura Paine, Vince Hundt, Greg Nowicki, Jacob Marty
- 2:00 pm Break – networking and visiting with our sponsors
- 2:30 pm Jim Munsch “Understanding the numbers:
key financials to successful grass-fed beef operations”.
- 3:15 pm Great Lakes Alfalfa – Sponsor Spotlight Presentation
- 3:45 pm Final Q&A, Adjournment
- 4–7:00 pm Social Hour with buffet; newly elected Board of Directors meets

* *Submit requests for additions to this agenda to co-op secretary Greg Nowicki 715-257-7146, or make a motion from the floor at the call to order.*

** *The afternoon educational program is open to all – invite other graziers/potential members!*

Special room rates available under WGBC block @ \$89/night until Jan 20th, 2018*. Call 1-800-648-4765 and press #1 for reservations; say “Wisconsin – Grass-fed Co-op” (*rates extended, climb to \$119 after Jan 27th.)



Wisconsin Grass-fed Beef Cooperative – 2017 Annual Business Meeting Minutes

Held at the Wintergreen Resort, Wisconsin Dells on Sat. Feb. 18, 2017; submitted by Tim Mathison

Introduction – Russ Endres, president called the meeting to order at 9:45 AM.

President Endres introduced the members of the Board of Directors and the Management Team. There were over 50 co-op members in attendance.

Approve 2016 Annual Meeting minutes – Greg Nowicki, Secretary provided the minutes from the 2016 Annual Meeting in a written newsletter sent to all members in January. Motion by Kevin Moore to approve the minutes, second by Mel Abel. *Motion carried.*

Treasurer's Report – Tim Mathison, the Co-op's accountant gave an overview of the 2016 financials. Co-op had record profit of \$41,540 in 2016. The improved cash flow position has lowered the average accounts payable days to pay, which means the producers are getting paid for cattle faster than in past years. Overall, the Co-op is in a strong financial position going into 2017.

2016 Overview – Rod Ofte, General Manager, presented a summary and highlights of 2016. These include, 5% sales growth and record profit, continued premium producer payments and paying producers faster, expanded USDA processing that will allow the Co-op to target the Twin Cities and Chicago for sales opportunities, the Neesvig's distributor launch, improved carcass utilization, and the Tiered Pricing incentives which have lead to increased consistency.

2016 also had a number of challenges including lack of supply of consistent cattle, increasing competition, USDA and distributor challenges, multi destination processors, and lower than desired number of participants for leads, referrals, and demos.

The Board of Directors approved a Patronage Dividend for the producers who shipped cattle to the Co-op in 2016. The total dividend is 15% of the net profit of \$41540, which is \$6225.44. The dividend checks were sent out in January and February 2017. Written copies of the 2016 P&L results were made available to all producers.

Outlook – Rod Ofte, General Manager, gave a brief outlook of the Co-op going into 2017. The focus will be on our reinforcing our brand message and promise. There are new accounts and opportunities that Rod is working on expanding for 2017. The Co-op has been sponsoring and partaking in events such as Grassworks, REAP Burgers and Brew, WI Grocers' Association, Midwest Foodservice Show, FEAST local food show, and other regional events and pasture walks.

2017 Business Approach – For 2017, the Co-op is looking to increase the quality and availability of cattle. Continued stable growth of 4% is forecast. Look to strengthen brand awareness, with one of the key pieces being the new branded van. Look to increase cash reserves and consolidate debt. Grow our farm to table business as it our most profitable segment. It is an area we can compete in and be a leader as we build our brand equity across the value chain.

Tiered Pricing Update – The importance of shipping properly finished cattle was reinforced because our customers pay a premium for high quality, consistent product. Low quality carcasses have less value to the Co-op and will be priced accordingly. The key to take away is if the producer doesn't know if the animal is finished, they should not ship it. Written copies of the program were also made available to all producers.

Awards – Pete Prochnow presented the Producer of the Year Award to Dan and Mary Ann Wagner, and the Member of the Year Award to Karen and Gary Walker.

Annual Meeting Sponsors – Rod thanked Lorentz Meats, WI Farmers Union, and Badgerland Financial for sponsoring the annual meeting. WI Farmers Union had a representative on hand to hand out material and answer member questions.

Member Introductions – The members attending introduced themselves.

Board Member Nominations and Election Results – Three seats were open for election. Nominees were current board members Mel Abel, Judy Lang, and Russ Endres, and also running was Jason Cavadini. Casey Kerstiens was nominated from the floor and accepted the call to run. The results of the election had Russ Endres and Judy Lang being reelected and Jason Cavadini was the winner of the third seat.

Educational Session – Gene Schriefer had a presentation entitled Cover Crops as Forages for Grazing Livestock. He was followed by Dr. Allen Williams who gave his presentation "State of the Grass-fed Industry". The attendees were presented lots of good information from both speakers.

Adjournment – The meeting was adjourned at 4:00 p.m. It was followed by happy hour and food prepared by Wintergreen Resort.

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Annual Meeting Educational Session: Finances Featured and a Producer Panel Discussion

Membership in the Wisconsin Grass-fed Beef Co-op brings the opportunity to network with fellow members who have a wealth of knowledge and years of experience. At this year's meeting, we are fortunate to have member Jim Munsch speak about key financial issues and a panel of our own WGBC producers with a variety of expertise to take your questions. We hope you'll participate in a lively discussion!

Jim Munsch – Understanding the numbers: Key financials to successful grass-fed beef operations



Jim Munsch owns and operates Deer Run Farm near Coon Valley, Wisconsin. The farm has transitioned from a conventional cow-calf operation to one using managed grazing over the course of 37 years and currently raises grass-fed beef. He also offers consulting on general management to market vegetable and livestock farms. He has helped develop tools and training to make producers become better managers of their businesses. Among these tools are those managed by University of Wisconsin - Madison: Veggie Compass, Pasture Compass for Dairy and Livestock Compass for mixed livestock farms. Jim holds a BS in Agricultural Engineering and a MS in Management both from Purdue University.



*Next time someone says grass-fed beef costs too much...!
(Doug & Sharon Delling Farm in Vernon County)*

WGBC Producer Panel – Secrets to successful grass-fed finishing

Laura Paine: A “member” since before there was a co-op – she was instrumental in forming WGBC in her former position as Grazing and Organic Specialist with DATCP. She’s also a board member of GrassWorks, and currently program director for Dairy Grazing Apprenticeship. Laura and Bill run a small herd of British Whites on 80 acres of pasture in Columbia Co. and have direct marketed their beef for many years.

Vince Hundt: A member since 2015, Vince brings his valued experience to the panel from several successful business endeavors, including finishing grass-fed beef. He markets grass finished beef through a few different venues – including WGBC. Their cattle operations include purchasing feeder calves. The farm’s grazing and feeding efforts target a high quality well-finished grass-fed animal. Vince will represent a focused business and marketing approach to our production discussion.

Greg Nowicki: A member since 2008, in grazing for 16 years, Greg is a past president of the co-op and producer of the year. He has 50 cow/calf pairs and raises all young stock for finishing on his Marathon County farm. A portion of the finished animals are direct marketed, the balance goes to the co-op.

Jacob Marty: A WGBC member since 2015, Jacob is very active on several fronts of transforming his family’s farm to sustainable and grass based production. He has pursued successfully: production development, hosted events, and developing marketing opportunities for his family’s farm. Jacob will provide a unique “young farmer’s” perspective on what our cooperative’s marketing opportunity might provide for his farm business plans.



“Next Year Optimism” – a Farmer’s Trademark

Turning the corner on a new year is often a time for review, and planning ahead. Needless to say farming, and beef production specifically requires a steady evaluation of management approaches toward gaining positive outcomes. Feedback from others or “comparing notes” is also invaluable.

Beef production challenges come in many “shapes and colors” as we all know. The primary role WGBC plays for it’s producer/members is the opportunity to market finished beef animals. The co-op’s business resources are largely consumed selling the resulting fresh beef products. Nonetheless, your co-op directors and management choose to invest communication resources around production and marketing challenges – whenever possible.

Our monthly E-News and/or quarterly newsletters, WGBC’s updated website, and several already scheduled meetings WGBC will be participating in, early in 2018 – provide numerous opportunities for members to interact and/or get involved in your cooperative. The upcoming WGBC Annual Meeting in February is a prime opportunity to learn, share, suggest and/or participate in further cooperative plans in 2018. Check out the agenda for the meeting in this issue. If you have questions, concerns or suggestions, let us know and we’ll do our best to address them.

Finished cattle supply from our membership is significantly more robust than past years. Our purchase/processing schedule is filling up well into the 1st quarter of 2018. As our sale orders and demand projections begin to firm, the challenge of assuring we will have the necessary supply – when we uncover additional opportunities – continues!! Consequently, the need for member producers to communicate marketing plans and intentions also continues. In other words – stay in touch!

WGBC is an exciting story. We can all be proud to share the story of our progress as we add new chapters in the years ahead! Thank you for being a cooperative member. Best regards, see you soon!

Pete Prochnow, WGBC Production Manager
920-210-9177 / pete@wisconsingrassfed.coop

2017 Production Snapshots

- WGBC purchased 157 MORE total animals in 2017 than 2016 – a 25% increase. **763 head total** (45 head of those were cull cows compared to 21 culls in 2016.)
- **Average Carcass Weight** 2016 vs. 2017 was 636 lbs vs. 643 lbs – an insignificant difference.
- **Average Price Paid per lb** – 2016 vs 2017 was \$2.52 vs \$2.36 – a 5% drop.
- **Tiered Pricing Breakdown Results:** based on quality/grading data, since being implemented this past February 2017 – for # of fat animals only;
17% graded Choice (Tier 1)
30% graded above mid Select (Tier 2)
49% graded below mid Select (Tier 3)
4% graded Standard (Tier 4)

Quality comparisons from the past are very difficult since we have limited data. In general, it appears we are making progress toward our goal of increasing quality.

WGBC Website Rebooted in 2017

As mentioned in previous newsletters, last fall the new website went live, followed by our first foray into e-commerce with online sales of halves and a 30# beef variety box.

We now have the members-only area ready for your use. There you can find the current pay-price, contact info for the Board and M-Team, tiered pay-price information, member downloads such as the shipping form, past issues of Meadow View newsletters and previous annual meeting minutes.

There’s also an event calendar and updated Member Forum where you can post ads to buy/sell cattle, forage or equipment.

Start the process at: <http://www.wisconsingrassfed.coop>, and click “Log In” on the green header bar.

On the next screen, if you were registered on the old site, enter your e-mail address or user name and click “Lost Password” to receive new log-in credentials. If this is your first time to use the site, click “Register” and enter your information on the next screen. We will then verify membership and you should get an e-mail when the process is complete.

Contact Mandy for assistance: 608-489-2162

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General Manager's Message

2017 was an excellent year for the Wisconsin Grass-fed Beef Cooperative. Despite conventional beef prices dropping nearly 50% from their 2015 highs, we continue to pay our members a 20%+ premium above the conventional market. Our

hard work to increase sales and profit has delivered growth in both areas. Volume sales growth, cost management and distribution efficiencies achieved during 2017 will allow us to again pay a patronage dividend. Because we are a co-op, excess profits from our operation go back into improving our business in addition to us sharing a portion of it with our owners, you, the producer member.

The financial stability of our cooperative has brought more and more Wisconsin sustainable family farms that want to market grass-fed beef to our fold. For the first time in our history, we have an excess supply of cattle. We will continue to make sales efforts to move these cattle through our business, but we may not be as flexible accepting cattle on short notice as we have in the past. Please plan conservatively and be sure to communicate your intentions with Pete. We can accept shipment dates up to a year in advance, so it will be to your advantage to properly plan. On the same note, it also pays to only ship cattle that are properly finished. Cattle that grade at low select and standard do not receive our full premiums. Feed is cheap these days, so don't cut yourself short and ship unfinished animals. If you are ever in doubt about your cattle's degree of finish, please get in touch with Pete or I and we will arrange an on-farm visit. To help with understanding what your beef program can produce, Lorentz meats is now offering live weight data. Be sure to have ear tags on any cattle shipped to help identify individual carcasses. The live weight will be listed on your check stub.

With cattle supply backing up, some producers have gotten creative and decided to send more cattle than were ordered recently. Though this may seem harmless, killing more cattle than we have a sales channel for can cause a major financial hit to the whole cooperative. We can only sell what our distribution channels need. Any additional meat produced from a kill cycle above what was ordered, is dumped on the open market. Unfortunately, the open market pays less than our cost. So next time you are tempted to throw "a couple extra head" on your trailer, be aware of the severe financial damage you are doing to the cooperative as a whole.

In 2018 we will celebrate our 10th anniversary. Only about 25% of all businesses started are still in business after 10 years, however, our cooperative continues to grow and prosper. Future growth sources include continuing to develop regional urban hubs (Chicago, Minneapolis). We are putting advertising resources behind growing our farm-to-table offering (custom half and whole steers). Our updated website is also offering consumers an easy-to-order and easy-store, mixed 30 lb grass-fed beef bundle. In the coming years, we will continue to explore areas of expansion such as additional protein lines like pastured pork, chicken or lamb. Many of our initial customers were referrals from our members. Please let me know if you run into any business that is serious about carrying our products.

Our cooperative is a democratically run business. If you have passion and ideas for our cooperative, consider running for the Board of Directors. Increased membership involvement is critical to our long-term success.

We have another outstanding annual meeting planned for Feb 10th where you can mingle with other members, attend educational presentations, and enjoy our grass-fed beef products free of charge. There will also be a surprise gift for all members attending so I highly encourage you to consider it.

I wish you all a prosperous and successful 2018!

Rod Ofte, WGBC General Manager
rofte@wisconsingrassfed.coop



Producer Profile – Casey Kerstiens

Casey Kerstiens grew up on a 5000-acre, 700 cow ranch outside Isabel in northwest South Dakota. He and his wife Carrie both attended the same South Dakota college on rodeo scholarships. He moved back to Wisconsin about 15 years ago to join his wife's family, Jeff and Sue Funk, on the Big Valley Ranch south of Stitzer in the Driftless Region of southwest Wisconsin. The couple have a 4-year-old daughter. The Funks own about 300 acres, Casey owns 120 acres and together they rent another 1200 acres. Together they run 250 cows, predominately Red Angus. They work the ranch together where Casey works full-time on the ranch. Carrie works for the Grant County Child Support office, Jeff works for Mathy Construction in the summer and Sue is retired from the FSA office.



Big Valley Ranch is a cattle-based operation. The Funks made a brief attempt at going dairy many years ago but after a fire destroyed the barn, they returned to a beef only operation. Casey said "Our part of the world in southwest Wisconsin is set up for cows. It's just rough enough that there's always going to be cows around because you can't farm it all." He will occasionally have a farmer put in corn on a strip they need to recondition before planting it back to alfalfa. One of his best assets is a spring that runs year-around. He said the thing that made his transition into the co-op so easy is that they were already meeting the grass-fed protocol but weren't taking advantage of it. He said "That's just the way we do it."

Casey said "We're big on COOL, Country of Origin Labeling. If your coat will tell you where it's made – why can't your meat say where it came from. If you want to buy an American steak you ought to know it's American. If you want one from Wisconsin it ought to say it comes from Wisconsin. That's one thing we like about Wisconsin Meadows."

Besides the cattle in the grass-fed program, he said he'll buy 400-500 head of light calves in the spring and graze them through the summer and sell them if the markets are good or feed them through the winter and sell them in the spring. He said his steers get weaned and put on grain and ration in November. He has his heifers finishing on grass and someday he hopes to get steers there but for now most of the cattle he sells to the WGBC are heifers. He said he would like to sell all his cattle to the co-op. "If we can continue to find land to rent we'll keep adding cows."

I visited the ranch on a bright sunny sub-zero January morning and rode with Casey as he fed cows with a Chevy pickup truck mounted with remote-controlled bale unroller. He was able to pick up a bale, transport it to the field and unroll it for the cattle only stepping out of the warmth of the cab to open the gate and remove the net wrap from the bale. He said you don't see this type of equipment much around here but it's what everybody uses in South Dakota. At the same time his father-in-law was feeding another herd of cattle with a tractor pulling a bale processor

Big Valley Ranch is home to 5 horses. Casey said "We do a lot of our stuff on horseback. We use our horses to move and sort cattle." He said "If there's a calf that needs to be doctored out in middle of the pasture, he can rope them, treat them and let 'em go." He said they have four-wheelers and Rangers but prefer to use the horses. When he was growing up his dad wouldn't allow a four-wheeler on the ranch. His father said "Nope. That's not the way you do it. That's not what cowboys are." He said his father even had a team of horses that pulled a manually operated bale unroller to feed cattle.



Casey said their recreation is rodeo. He likes the team roping and Carrie likes to barrel race. He said they don't go to many rodeos but like to go to local jackpots. His daughter likes to ride and he has his 24-year-old roping horse lined up for her.

He tries to rent as much local pasture as possible, but has cattle as far as 50 miles away. He rents land from landowners in Chicago and Las Vegas as well as the local vet, the janitor for the school and a hauler in the Texas oil fields. He described how tough it is finding good land to rent, as well as the adjustment it takes to learn how to judge finish on a grass-fed animal. "The more we get into that the more value you put on good pasture. We let a pasture last year go that they didn't gain that good on."

He said "It's a tough business" but he seems to enjoy it.

Upcoming Events

(blue text indicates events the co-op is sponsoring or attending)

GrassWorks Conference

Jan. 30 – Feb. 1, Wisconsin Dells

Upper Midwest Organic Farming Conference

Feb. 22–24, LaCrosse, WI

WGBC Annual Meeting

Feb. 10, Wisconsin Dells (see pg. 2)

Milwaukee Area Sampling Demos

March 8–11, Milwaukee area retailers

Burgers & Brew

June 2-3, Middleton

Madison Area Sampling Demos

June 2, Madison area retailers

WGBC 10th Anniversary Picnic

July 19th, info to come, save the date!

In that time we've gone from a small group of dedicated graziers brainstorming at GrassWorks conferences, to a statewide cooperative of 180 farms who now proudly sponsor the conference that taught us all so much!

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Save the date! Our annual meeting will be held
Saturday, February 10, 2018
Wintergreen Resort, Wisconsin Dells

Owner-member business meeting begins at 9:00 am
Educational workshop begins at 1:00 pm

Producer Panel: Secrets to Successful Grass-fed Finishing
Jim Munsch: Understanding the Numbers – Key Financials to Successful Grass-fed Beef Operations
All graziers are welcome to attend the afternoon educational program and social hour afterwards.
RSVP by February 1st to Mandy McGee at: 608-489-2162 or moreinfo@wisconsingrassfed.coop



Our Wisconsin Meadows brand beef is found in stores and fine restaurants across the Midwest, and now can be ordered online for home delivery!

Membership information at the WGBC booth, or on our website.

P.O. Box 269 • Viroqua, Wisconsin 54665 • 1-800-745-9093 • www.wisconsingrassfed.coop

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There are two seats up for election on the board of directors in 2018. Members interested in running for a three-year term please notify secretary **Greg Nowicki by February 5th** to be included on the ballot. (715-257-7146 or e-mail: eatgrasfed@gmail.com) Nominations (yourself or others) will also be accepted from the floor at the meeting.

Member share buy-back – when WGBC was formed in 2008, it was set up with 200 member shares available for purchase. With just over 180 members 10 years later, in order to encourage active producers to join, the co-op will buy back your share certificate for the \$200 par value. Shares can only be bought from, or sold to, the cooperative. If you no longer farm, or wish to cancel your membership, contact the co-op secretary (*see above.*)

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