It's a Circle



A group of Idaho producers created a rancher-owned grass-fed beef business partnership that is sustainable

> STORY AND PHOTOS BY MELISSA HEMKEN

anching is founded on the traditions of vertically integrated business. Ranching — its circle of people, land, water, and animals — has become a fragment of the beef industry, which further encompasses stockers, feeders, processors, food brands, grocers, and consumers. The ranchers

behind Desert Mountain Grass-Fed Beef Cooperative return to the roots of ranching, which — as a tree does supports and is supported by its local community. Ranchers designed the co-op to grow its own quality grass-fed beef product, gain market recognition for its beef product and regenerative practices, and financially sustain its members through vertically integrating the business partnership from birth to beef. This benefits the ranch families, and working lands and communities, through partnerships, to regeneratively grow grass for cattle and cattle for people.

The Cerise Ranch outside of Salmon, Idaho resembles many ranches of the American West. Lowell and Mary Cerise weren't satisfied to merely sell cattle as their ranch product, though. "To spend 99.99% of my time growing the product," says Lowell Cerise, "and 1/1000 of my time, which consisted of calling my livestock sales representative, marketing the product we grew, never felt like a scenario where I deserved to make a living."

That's why the Cerises joined the member-owned cooperative, Desert Mountain Grass-Fed Beef, based in Hammett, Idaho. "There's a huge market demand for the grass-fed product," Lowell continues. "The issue is how to achieve the scale necessary for profitability. To overcome the fixed costs necessary to have a meat business, and lower the processing costs, requires large numbers of finished cattle. [With the co-op,] we can have enough grass and cattle, and climatic zones, for the profitable grass-fed meat business." Member ranchers cite co-op benefits as an alternative to selling calves on the commodity market; a year-round supply of cash flow, knowledge of the entire beef industry, partnership opportunities with other members, and that they, the ranchers, own the business.

ACTIVE MEMBERSHIP REQUIRED

The co-op, founded in 2010, solely focuses on grass-fed beef that is at least half Akaushi genetics for meat marbling and tenderness. "We recommend members use whatever cows they want on their ranch," says Bob Howard, a co-op founder, and Hammett, Idaho rancher, "because everybody has a different opinion about cows. We [the co-op] don't want to break the ranch. We want the calves to be half Akaushi for the eating quality of the beef sold through the co-op's meat business."

Many of the co-op members share bulls. When the Cerises joined the co-op, Lowell was leery of the costs

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associated with changing to Akaushi bulls. "It was scary to step out and buy the bulls, because what if the co-op meat business failed?" he recalls. "The co-op forced us to change our breeding program, which has been good. Now, we lease Akaushi bulls from another ranch. I use them in the fall and spring, and they breed those same bulls in the summer. There's a trichomoniasis risk, but it's manageable through testing. It works really well."

Members' cattle ready for finishing are combined in southern Idaho to facilitate shipping to the processor. The co-op sends 40-to-50 head weekly. In 2020, the co-op harvested 2,150 cattle. "The central location allows the same person's eyes to sort the fat cattle each week," Howard explains. "This ensures the consistency of the beef product."

In the last decade, co-op members refined their meat business. Their timeline extends from when a bull breeds a cow to when pallets of packaged beef arrive at grocers. It takes 150 days to finish a 900-pound animal on grass for a reliable product. The meat business managers know the timing and amount of typical orders and gather the necessary cattle 150 days out from the member ranchers. The co-op services seven wholesale grocer accounts; contracts with a distributor for wholesale restaurant accounts; and, through its e-commerce site, sells and ships beef directly to individuals. Ranchers are paid for their cattle 60 days after harvest. This allows the co-op's meat business to run itself on the equity of the cattle.

The co-op requires active membership. Members meet weekly via a phone conference call to keep abreast of activities. They gather bi-annually for 2-day in-person meetings. Decisions are strategically based on full consensus and respectful listening to all members. Additionally, ranchers assist the contracted marketing team by traveling to meet buyers and customers for at least one in-store day a year.

"We price beef a year in advance," Howard says of the co-op, "and we try to hold to that price. We understand that our partners must make money in the grocer business, too. We're vertically integrated into a relationship business to serve the farmers, ranchers, retailers, and consumers. We price our product to be regenerative and sustainable for everyone. We didn't increase prices during the [COVID-19] pandemic. We built better relationships by doing that, we feel."

For co-op members, agriculture is a story of people and animals. "There's dignity in knowing the journey of our cattle," says Mary Cerise. "They're ours, and we care for them until the day they're in the store."



SLOW TRANSITION TO TWO BREEDING CYCLES

Membership in Desert Mountain Grass-Fed Beef is a partnership that regenerates working for lands and communities. The Cerises jumped in and implemented a slow transition for their cattle. With the switch to Akaushi bulls, the Cerises stopped turning bulls out on the range to breed their cows. The Cerise Ranch's summer grazing allotment is in the Salmon Mountains within a fenceless expanse of nearly 100,000 acres.

"We lost a lot of bulls on the range," Mary recalls. "Also, they couldn't keep up with the cows to breed and were a challenge to bring home in the fall. Now, we keep the leased Akaushi bulls and cows on inside pasture for short breeding periods over two cycles. With this breeding method, we need fewer bulls. For our fall calving herd, we average a 98% breed-back rate."

Many of the co-op members calve twice a year to supply finished cattle year-round to the meat business. To begin fall calving, the Cerises purchased some young open cows in



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November when cull cow prices are typically at their lowest. Now, instead of selling open cows in November's depressed market, they rebreed those cows with the fall calving group. They sell any open cows during March's typically high market. The Cerises calve their spring group around February 1 and their fall cows about September 15.

"Fall calving, labor wise, is brilliant," Mary explains. "There's less stress

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(ABOVE AND BELOW) In 2020, the Cerises requested a neighboring farmer to bale silage from his third hay cutting. "We saw the highest gain, 1.7 pounds per day, on a straight forage ration feeding the haylage in self-feeders," Lowell says.

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on the calves and health issues typical of spring calving is non-existent. We tag the calves when we DNA test. Before an animal can be processed as co-op beef, every animal must be DNA tested to show they're at least 50% Akaushi genetics."

GRASS-FED BRINGS OPTIONS

More cattle on the ranch — the spring and fall calving groups, weaned calves and yearlings — to grass-finish beef for the co-op moved the Cerises

to reconsider their ranch management. Right off, they converted some irrigated hay ground into a pasture. "The finished cattle, sold through the co-op, pay a higher daily pasture rate than the value of baled hay," Lowell shares.

Through the grass-fed business, the Cerises market a higher percentage of their ranch's yearly forage production directly through their grass-fed stocker and finisher cattle. "We have more live weight of cattle on the ranch during the growing season," Lowell explains, "to harvest the forage themselves. This leads to a higher net value of the forage and a more favorable conversion of forage to live weight leaving the ranch."

The Cerises finish half of their beef cattle on their ranch in the summertime. In autumn, nearly harvest-ready cattle are sent down to southern Idaho around October 1. The co-op contracts with farmers in that region to grow irrigated forage crops for their fat cattle.

"One of the farmers grew 500 acres of

Many of the co-op members calve twice a year to supply finished cattle year-round to the meat business.



early potatoes," Lowell says. "After the potatoes were dug, he broadcasted barley and turned the pivots back on. By the 10th of October, it was just beautiful. We financially incentivize the farmers to ensure we have ongoing sources of feed. And, they're excited about doing it." This also builds soil health in their fields by maintaining living plants, covering the soil with plant matter, and manure fertilization from the cattle.

For more forage closer to home, the Cerises purchased a center pivot-irrigated field formerly utilized to grow potatoes. To increase soil health, they drilled a nitrogen-fixing multi-species cover crop, irrigated it, and let the land rest. In 2021, they drilled in a multi-species forage crop mix and grazed it with their yearlings. The Cerises graze all of their irrigated pasture through intensive, rotational management to regenerate plant and soil health. This heightens forage yield, too.

Each year, the Cerises adjust and improve their management. In 2020, the Cerises requested a neighboring farmer to bale silage from his third hay cutting. The Cerises' haylage order pleased both the ranchers and the farmer. The farmer's late summer hay remained damp because wildfire smoke obscured the sun's drying rays. The Cerises fed the haylage to their fat cattle as winter feed.

"We saw the highest gain, 1.7 pounds per day, on a straight forage ration feeding the haylage in self-feeders," Lowell says. "This rate of gain creates a cost of gain that is competitive with a grain-based, natural GAP 4 ration with the bonus of keeping the nutrients on our irrigated ground. If we can keep our cost of gain competitive with natural GAP 4 feedlot cost of gains, but sell a grassfed and grass-finished product at a premium, we can add net dollars back to the value of a weaned calf."

All of the co-op members certified their ranches under Global Animal Partnership (GAP) and the Non-GMO Project. This enables the co-op to sell beef to customers that require thirdparty verifications, such as Whole Foods Market. Consumer demand for the co-op's grass-fed beef has exceeded supply for over two years. The Cerises, and their fellow co-op members, foresee the continued expansion of the grass-fed beef market, especially as consumer awareness of regenerative agricultural practices becomes more prevalent. For their future, the co-op strengthens itself through its ranchers and partnering farmers.

"There's a lot of fine, small grass-fed companies," Howard says. "Some have grown their businesses, and sell to national food brands. But, if you're just one guy selling grass-fed beef, you'll get old and wear out. We've designed the co-op to be regional, and for all members to learn how to do every aspect of the business. I want to retire someday, and I want someone to replace me. We created a rancher-owned grass-fed beef business partnership that is sustainable." It's a circle of life for people, land, and animals. It's regenerative agriculture and vertically integrated business for which ranching was created, and to which it can return.