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PRAIRIERTH FARM

Illinois Grass-fed Value Chain Case Study: Production

Developed by Delta Institute and Pasture Project

Overview

PrairieErth Farm is a 480-acre diversified, multigenerational, certified organic farm owned by the Bishop family in Atlanta, Illinois. The farm produces corn, soybeans, small grains such as wheat and oats, mixed vegetable crops, and grass-fed beef and pork. Forty acres of the farm are in permanent pasture, 40 acres are in vegetable production, and 65 acres are in timberland. The farm employed 12 people during the growing season and five during the off season, the majority of whom are involved in vegetable production.

Operation

Dave began farming in 1979, at the beginning of a crash in the farm economy that defined a decade. While in some ways it was an ideal situation for a young person starting out - plenty of land to rent and cheap machinery available as established farmers were driven into bankruptcy by a trade embargo - it also highlighted vulnerabilities inherent to the relatively new monocultural cropping systems emerging in response to the “get big or get out” edict of Ag Secretary Earl Butz.

“Nevertheless, we were told that corn and soybeans were the future for central Illinois farmers”, Bishop remembers, so he borrowed money to expand, even though interest rates were absurdly high, often exceeding 20% throughout the 1980s.

At first things went well; the farm made money and raising two crops seemed simpler than managing a diverse mix of crops and livestock. Growing conditions

were generally favorable, and in the fall of 1987, Bishop expected soybean fields to yield nearly 65 bu/ac, unheard of at that time. All that remained was the harvest. “I pulled into the field with the combine and made one round just before dark on an unusually warm evening in early October”, Bishop remembers celebrating what would surely be a bumper crop and a profitable year.

But during the night it began to rain. Temperatures climbed into the 80s and wet conditions persisted for ten days, eliminating any possibility of continuing the harvest. The beans swelled and sprouted in their pods, and soon the ground was covered with rotting soybeans. The crop was worthless. Half of the farm’s annual income vanished overnight.

Excess rain would not be a problem the following year. In 1988 there was no measurable precipitation on the farm from April to November. The crops were dead in the field by mid-summer and the available hail and windstorm insurance did no good. Congress had authorized the Federal Crop Insurance program during the Dust Bowl of the 1930s, but it was slow to gain acceptance with farmers. Widespread use of federal crop price support programs finally came after the Federal Crop Insurance Reform Act of 1994.

The new decade of the 90s began with a completely redesigned farm operation for the Bishop family. Small grain crops like wheat and oats, less vulnerable to summer droughts, were reintroduced, as were forage

crops which could be used to feed the new herd of beef cattle or sold for cash. More diverse crop rotations and fertility from livestock reduced the need for purchasing expensive crop inputs.

As a new millennium arrived, public interest in “know your farmer” and direct purchasing from producers created new opportunities for diversified organic farms. PrairiErth Farm expanded to include poultry and hogs, and eventually vegetable crops, with an emphasis on direct marketing, where there is less price volatility than commodity markets.



Multi-species grazing in action on the farm.

Bishop and his family own 480 acres, with 40 acres in pasture, 65 acres in timberland, and 65 acres in conservation. Some of conservation land acres consist of a riparian buffer along the creek and the rest is a mix of native grasses and forbs bordering the fields. The row crop acres are in rotation with vegetable production.

Bishop has a closed herd of 40-50 head of Belted Galloway cattle, meaning that he does not purchase animals and bring them into his herd. Almost all the cattle are grass finished, with the exception of any calves that are sold before finishing on-farm. The cattle are finished on both perennial pasture and cover crops. PrairiErth Farm primarily sells beef directly to a customer base developed through their vegetable operation. They also sell product through a CSA and at co-op grocery stores. Dave also sells some grass-fed products to local restaurants. About 90% of PrairiErth beef sales are retail, and 10% is sold wholesale. The cattle are processed at a number of local facilities and

processing fees are paid by the customer who purchases the beef from the processor.

Motivation

Bishop incorporated livestock to mitigate economic risk and build a more diversified farm. Illinois experienced another severe drought in 2012. Despite adverse growing conditions, PrairiErth did not experience the financial setbacks sustained during the drought of 1988. Bishop harvested the corn and fed it to the cattle during the winter, highlighting the potential for diversified farming systems to better manage uncertainty in an increasingly unpredictable climate. As PrairiErth has expanded and diversified, so have Bishop’s perspectives on farming. He began grazing to increase the financial resilience of his operation and has seen the purely economic benefits of grazing but is now compelled by ethical considerations that play a significant role in how he, his family, and staff manage PrairiErth Farm.

Challenges and Barriers

Bishop began farming during the agricultural crisis of the 1980s. Farm debt ballooned and many farmers experienced bankruptcy or foreclosure. Land and equipment assets were widely available and inexpensive, which reduced start-up costs for beginning farmers like Bishop. Today, however, Bishop sees access to land and capital as major barriers to beginning farmers and graziers. Bishop also notes that a general lack of processing and storage facilities limits producers’ access and capacity to institutional buyers.

The cultural dominance of row crop agriculture also limits the expansion of grazing, especially in central Illinois where the topography is especially suited to large row crop commodity farms. Farmers considering grazing as an addition or alternative to row crop production are discouraged by social and financial factors. Dave recognizes the necessity, but also the challenge inherent to thinking outside of the “monoculture box”.

Dave’s largest barrier to increasing grass-fed beef production on his farm is access to infrastructure. Growing beef production would not only demand greater processing capacity but more land and cattle. Scaling up beef operations also requires careful

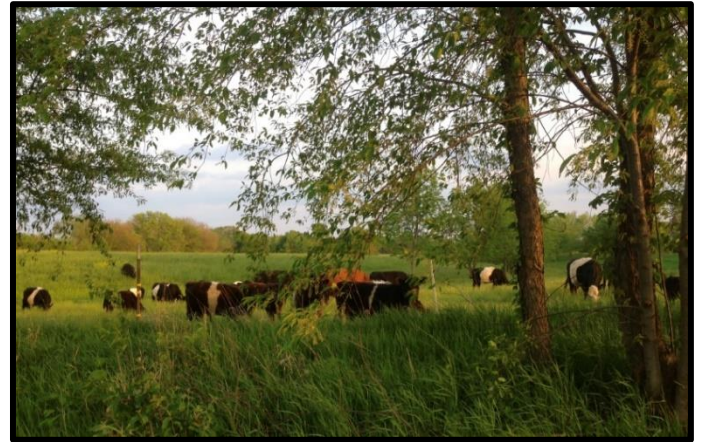
consideration of the balance between forage and fertilizer production. The cattle provide the basis for the farm's fertility, and it's important that the supply of manure does not exceed the farm's nutrient requirements, and that adequate cover crops are available for both summer grazing and winter feedstock. The production systems at PrairiErth Farm are highly integrated and Dave and his family do not make changes to one aspect of the operation without considering how it will impact the entire system.

Growth

Dave sees significant opportunities for the growth of grass-fed production in Illinois, particularly through engagement with young farmers. Young farmers are typically more receptive to alternative methods of farming and increasingly have access to educational opportunities that challenge dominant agricultural conventions. Mentorship programs are an important model that provide young farmers with technical skills and guidance as they begin to farm. Dave also works closely with faculty at the University of Illinois and Illinois State and has made the farm available as a living laboratory and classroom. Students and researchers visit the farm to learn more about Dave's operation and conduct research on regenerative management.

Dave believes that increased opportunities for education, for both established and beginning farmers, are essential to expanding grazing. A clear financial case must be made to encourage farmers to consider grazing, in addition to resources and technical support for transition planning. Dave believes in shifting away from a paradigm that focuses on yield and instead encouraging farmers to consider profit when making management decisions. Shifting this emphasis allows farmers to consider alternative practices that ultimately result in greater revenue per acre.

Dave also believes that shifting consumer priorities is another opportunity for expansion of grass-fed markets. Consumers are more concerned with the quality of their food and connecting with those who produce it. Consumer-producer relationships can allow farmers to bypass conventional intermediaries that control the price, often recouping significant profits from agricultural sales, but incur none of the risks associated with raising the animal.



Top: A happy herd!

Bottom: Cattle grazing red clover frost seeded into wheat.

