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REBMAN FARMS

Illinois Grass-fed Value Chain Case Study: Production

Developed by Delta Institute and Pasture Project

Overview

Rebman Farms is a multigenerational farm owned and operated by Greg Rebman in Frederick, Illinois. In 1977 Rebman began farming with his father and today cultivates 1,525 crop acres, including corn, soy, and wheat. Rebman Farms has a history of raising cattle, but during the years that Rebman's father operated the farm, he sold the herd and leased the pastureland. In 2016, Rebman integrated cattle back into the farm operation through a partnership with another farmer, Luke Jones. Together they use regenerative grazing practices to produce grass-fed beef that is integrated into Rebman's grain operation.

Operation

Rebman began farming with his father on the family farm in 1977, and of the 1,525 crop acres he operates, Rebman owns 125 acres and rents the rest from 13 different landlords. Rebman's crop acres include corn and soybeans as well as wheat, which he recently brought back into the rotation after a long hiatus. One hundred acres are pasture and silvopasture; 80 of the acres are high quality pasture while the remaining 20 acres are brush and trees. Rebman is starting to develop formal grazing plans but is focusing first on improving fencing and watering infrastructure. Rebman's farm runs along the Illinois River bluff, which means his land is very hilly which makes watering cattle challenging.

Rebman integrated cattle into his operation three years ago in partnership with Luke Jones. Rebman met Jones

while Jones was working as a crop specialist. Rebman learned that Jones was interested in raising cattle but needed access to land and forage. Rebman had land and an interest in improving soil health on his farm through grazing. He knew Jones had a similar desire to raise livestock regeneratively and a partnership formed. Today Rebman and Jones are working on a formal business arrangement with a limited liability company (LLC). They raise Australian White sheep and South Poll cattle, in addition to some black and red Angus. They purchased their South Poll bull from farmer and grazier, Greg Judy, who farms in Missouri. They graze 25 cow/calf pairs on 80 acres of pasture with the possibility of expanding to an additional 350 acres if they grow their herd and convert more land to pasture. For now, they are increasing their rotations to plant more annual cover crops on which to graze the livestock. Rebman and Jones are grass-finishing their cattle on-farm. Rebman pays Jones a salary and they split profits on the livestock 50/50, but Rebman would like Jones to take over the entire operation when Rebman retires.

Since Rebman and Jones are only in their third year of raising grass-fed cattle, they are not yet confident in the quality of the meat and sell their end product at the sale barn into traditional beef markets. Rebman would like to market directly to customers, but this would be a new venture requiring investment in time and money. They are committed, however, to continuing to develop their product until it is ready for the direct market.

Motivation

Finances were an essential consideration for Rebman when he decided to integrate cattle into his operation. He says at 61 years old and considering his future in farming, he wanted to spend less capital on grains and row crops and more on livestock where he felt there was enterprise risk mitigation. Rebman explains adding cattle to his operation diversified the farm's revenue streams, allowing for long-term stability. Rebman also began seeing a customer base for grass-fed beef, especially in the metropolitan areas of Illinois. Ethics were another important motivation for Rebman after witnessing firsthand how exported grain grown in Illinois is used to feed livestock in poor conditions on feedlots. The primary motivation for Rebman, though, was the improvement in soil health through regenerative livestock grazing.



Greg, Luke, and a couple of cows.

Financials

For Rebman and Jones, the process of incorporating cattle and building a financially profitable operation is a slow one. Jones bought five black, white-faced cow heifers and Rebman bought three red Angus. It takes at

least 24 months to produce a product when raising grass-fed cattle and therefore 24 months before the farmer sees any profit. For now, Rebman and Jones are hopeful but financially "...treading water" until they have a product that meets their grass-fed beef quality standards.

Challenges and Barriers

Rebman mentions that while access to capital was not a significant barrier to him as an established farmer, it has been a barrier for Jones. Rebman explains that most traditional lenders are not aware of the potential benefits of grass-fed beef and regenerative agriculture more generally, and Rebman and Jones cannot provide the financial numbers lenders want, given how few years they've been raising cattle.

Rebman says access to markets and a customer base also concerns him. Jones sells some products on Facebook but knows they will need a larger platform to move product once they have improved their meat quality. Lack of on-farm infrastructure is a significant challenge for Rebman and Jones. Rebman has what he calls "...very antiquated infrastructure" on hilly ground with limited fencing and watering systems. He is concerned about getting adequate perimeter fencing for their current and future herd size. Rebman believes investment in infrastructure is key to increasing the success of the operation. He and Jones need to find a way to get high water to the field where the cattle graze and to improve their perimeter fencing.

The most significant barrier to developing a grass-fed beef livestock operation for Rebman and Jones, however, is cultural. Rebman explains that very few farmers in Illinois still raise livestock, and his landlords don't understand his transition to regenerative grazing and the relationship between soil, community, and the local economy. His landlords are especially concerned with soil compaction and liability issues. However, Rebman emphasizes that for over 40 years he believed and indicated to his landlords that conventional row crop production was the best way to farm. He recognizes that the regenerative farming practices now at work on his farm are unfamiliar to many and doesn't expect to convince his landlords overnight. When Rebman was growing up, most farmers had livestock and planted wheat as it was part of the vibrant rural

community. Today there is a row crop dominance, and it's difficult for his landlords and neighboring farmers to understand this holistic approach.

Growth

Rebman says the lack of infrastructure is a significant bottleneck to growing the grass-fed beef sector in Illinois. He explains that most of the permanent fencing was removed or allowed to deteriorate, which is regrettable given that fencing is essential to raising cattle. He notes that there is a lack of adequate leasing arrangements for farmers looking to graze cattle regeneratively, but that is secondary to the infrastructure problem in the state.

Rebman believes lender education is essential to encourage his peers to begin farming grass-fed beef. Because Illinois farmers have not participated on a large scale in regenerative agriculture, lenders are behind in understanding the benefits and risks.

Rebman says facilitators for contracts of production of grass-fed/finished beef are needed to grow grass-fed beef production. He explains that a lot of grass-fed beef is raised abroad and when processed in the United States, it can be labeled as a U.S. product. This is a product that could be raised in the U.S. instead of overseas if there were contracts in place that guaranteed a market for the product. Rebman says this imported grass-fed beef confuses consumers and is a detriment to his business. He also thinks there are too many farmers producing grass-fed beef without the market knowledge or understanding of proper finishing practices.

Rebman believes there is an environmental benefit to farming grass-fed beef but thinks there is too much emphasis on this, especially where climate change is concerned. Farmers, himself included, aren't farming regeneratively to better the planet, although he does believe the environmental benefits of grazing are important. Instead, he thinks there should be a focus on ensuring a market for grass-fed products by increasing consumer education. Transparency is crucial, Rebman explains and suggests creating a completely transparent labeled product so that consumers know exactly the practices used to produce each product and the associated benefits.

