

Family Business Insight for your Agriculture Company

The Ag Progress - April 2020 Dispatch New Opportunities

As spring arrives, newness abounds, not just in nature, but in how we are approaching both family and business. In this month's *Dispatch*, Davon and Lance look at two established farm families with next generation members trying new business ideas. And in this Easter season, Bill reminds us of the strong Biblical connection between faith and agriculture through Isaiah's words. As always, thanks for reading and feel free to reply with feedback.

Go Small or Go Home

Lance Woodbury

Thayne and Kent Larson, looking for ways to generate cash flow on their Belleville, Kansas farm in the 1980's, began growing, selling and brokering alfalfa hay. Since then, supplying high quality hay to dairies and cattle feed yards across the United States has been a key component of Bestifor Hay Company's expansion. ("Bestifor" is a Danish word for "Grandpa.")

Bestifor has also increased their corn and soybean farming operation, developed a fabrication business, established a trucking enterprise, invested in value-added ventures like a local ethanol plant, and created new applications for inventory and financial software. But they've also "grown smaller" by focusing their efforts on the big market of small animal pet food (\$37 billion in 2019). Here are a few lessons from the approach at Grandpa's Best™ (www.gbpets.com):

Who else needs what you have? As Thayne's son Chase and his wife Celine considered the future of the company in 2015, they decided to extend their product line to small animals. After all, it's not just cattle and horses that need quality hay; rabbits, hamsters, guinea pigs, and chinchillas need it, too!

What resources already exist? Since they already produced and brokered hay, they had ample access to product. They also had native grassland that has never been sprayed with chemicals, which allows them to label their prairie hay organic. While some farmers may call this "waste" ground, it doesn't take many acres of native, organic grassland to produce lots of food for small animals.

How can you apply your creativity? Chase developed a unique way of compressing alfalfa, prairie hay, orchard grass and timothy hay into packages of ten pounds or less. Celine applied her creativity to the branding and packaging, and they began taking the hay to pet food distributors and conventions around the world. Grandpa's Best™ took off, and now you can find their product on Amazon and Walmart.com, at distributors like Lambert's, and soon at Chewy.com. A new opportunity to generate big sales for your business may be smaller than you think!



Squirrel Innovation

Davon Cook

We hear a lot of talk about finding enterprises to add value to row crop production. Sixteen year-old (yes, sixteen year-old!) Matt Ruff from Circleville, Ohio is doing just that by selling ear corn on Amazon for squirrel and bird feeders. In 2018, Matt and his father Mark decided to experiment. They bought a small corn picker and stored the ears in washed chemical totes. They saw the wave of Amazon delivering just about anything to our door and thought, why not? It started slowly as they figured out the process to store, sort for quality, bag, label, and ship the corn in 12 pound bags. A year and half later, Ruff Farms' ear corn is the number #1 corn in Squirrel Supplies on Amazon and is shipping about \$9000/month at a gross price equivalent of \$84/bushel of shelled corn!

Matt is in charge of all aspects of the business now. He estimates he spends 30 hours/week managing and executing, with labor help in busy times. It is his Supervised Agricultural Experience Program in FFA. He's invested in a corn grinder to turn reject ears into cattle feed and recently bought an electric pallet jack to make handling easier. He is directly providing Ag education when answering customer questions; some of his favorites are customers thinking it is sweet corn to eat off the cob, or asking why there is "hairy stuff" on the corn. His goal for 2020 is to expand regional sales at farmer's markets and stores.

Matt said his biggest learning has been how to keep the processing running with no downtime as efficiently as possible using a team of people. (Sound like a familiar challenge, anyone?) While this opportunity isn't going to scale to large numbers of acres, it's encouraging to see a young person innovating and building a profitable enterprise. What new idea have you been pondering that could be catalyzed with an open mind, energy and a leader?

God's New Thing Dr. Bill Long

"I am about to do a new thing; now it springs forth, do you not perceive it?" (Isaiah 43:19)

Lance and Davon have described some "new things" that are springing forth in the agricultural world. It's welcome news. With so much on our daily newsfeeds about limitations and constraints we currently face as a nation, the reality of new directions is refreshing.

The people of Israel faced the darkest period of their early history when the Jerusalem Temple was destroyed and religious and political leaders were marched off into exile to Babylon. The exile lasted nearly fifty years, before Cyrus the Great of Persia opened a way for their return. While in exile they penned unforgettable songs of their distress, such as Psalm 137:1 "By the rivers of Babylon, there we sat down and wept when we remembered Zion." It seemed that their lived reality in Babylon would be the last word of their existence.

But then came the prophecy of Isaiah. In that time of being strangers in a strange land, he had the foresight, and courage, to proclaim a new work or "new thing" of God. Of course, the contours of that "new thing" weren't clear when he uttered his prophecy, but he knew that he served a faithful God, a God who kept covenant with His people forever.



Even though this "new thing" is put in general terms, there is one word we should pause over, translated as "springs forth." It is the same Hebrew verb used to describe the growing or springing forth of plants in the Garden of Eden (Gen 2:5, 9). It is a quintessential agricultural term; other translations are "sprout" or "grow."

The most vivid way the prophet could describe the newness that he had in mind was to draw on an agricultural image. That image, like the grain that annually waved, was the surest way to describe the certainty of God's deliverance.

As we write about new things today, we celebrate both the vision of two entrepreneurial men described above, but we also anticipate that their vision will be, to use another agricultural image, the first fruits of many more.

