

BUCK MOUNTAIN RANCH

Jewels of the Ozarks

By: Heather Smith-Thomas

When most people think about the Ozarks, they think about rolling hills, clear streams, and the many lakes scattered through this area. “Now that’s changing,” says Mike Kerby, a financial advisor with an office in Springfield, Missouri. “People are now calling the Ozarks the prime beef capital of the Mid-West,” he says.

A few years ago the Kerby family radically changed their business model on the family ranch (400 acres, with an additional 700 acres of leased pasture and hay ground) in central Missouri. Mike and his son Brandon went from raising Angus cattle to raising Wagyu. This was a big move—a leap of faith. No longer would they have the ease and security of heading to the local sale barn to sell that year’s calf crop, or the resources that the Angus Association offers in genetic mapping, backed by thousands of animals.

When asked why they changed their operation, Mike says it was a big decision but also a simple one. “It comes down to dollars and cents. I realized that we can only run so many head of cattle on our farms. So why not raise cattle with the highest profit potential? There is definitely a premium for Wagyu cattle,” he says.

HOW IT ALL BEGAN - “We live near the small town of Warsaw, Missouri. It’s a resort town with only about 2000 people, but on weekends we might have 20,000 people from all over the country. We are located between Truman Lake and Lake of the Ozarks—two of the biggest lakes in Missouri, and a popular destination for tourists,” he says.

“Some of our farms are close to Warsaw, and we have more land farther east, near the town of Edwards. It makes our farm management challenging because we are spread over a 10 mile circle, but it’s difficult to find 1000 acres all together,” says Kerby.

His main farm is located in very rural country. “If you want to go see a movie, you have to drive 45 miles. I drive 40 miles each way to go to church. But it’s a nice town, small community, and beautiful country. We have water everywhere with the lakes and streams, and lots of wildlife,” he explains.

“I am 51 years old and have been a financial advisor my entire adult life. I drive an hour to work, to my Springfield office. It can take a half hour just to drive across town in that city. I’d much rather drive down my driveway and see 5 or 6 deer and some wild turkeys than be in traffic. It’s a much better way to start and end my day,” he says.

“I am an outdoorsman and love to hunt and fish. I fished professionally when I was young, until a car wreck retired me from that activity. Prior to my accident, I’d purchased a farm in central Missouri for deer hunting. My bookkeeper told me that if I had cattle on the farm it would save me thousands of dollars in taxes because of all the expenses on the farm that I could write off,” explains Kerby.

Reluctantly, he bought some Angus cattle. “Then, being an outdoor person, I discovered that I actually liked having cattle. I enjoyed working with them, and it grew on me. I had been around cattle all my life, one way or another. After the first year of owning cattle, however, I realized that this was too involved and too much work just to do it for a tax write-off,” he says.

“I got into the Wagyu breed by blind luck. I was having lunch with a financial client of mine at a restaurant and there were Wagyu steaks on the menu for more than \$60. I was familiar with Kobe beef and had a chance to talk to the chef. We started talking about the price. He was buying carcasses from a ranch that raises these cattle, and this immediately piqued my interest,” says Kerby.

GETTING INTO WAGYU - “I realized there is money to be made in Wagyu. I predict that this breed’s growth and its own education in genetic testing, etc. will be tremendous. It has been growing much faster the last couple of years than it did in the previous 5 to 10 years, partly because of some of the genetic tests that are now available and the education that most ranchers are getting about this breed and its genetics,” says Kerby.

After months of research he knew the strengths and weaknesses of this breed--and as a family they decided to make the change. They started purchasing cattle and embryos from breeders all over the U.S. and some in Australia. “We tried to find the best donor cows and semen to build our herd,” he explains.

“This is an expensive breed to get into, so most of the ranchers who are trying to grow their herds are doing AI and in-vitro fertilization for embryo flushes. For us, this was a new concept. We did a lot of research, and went to TransOva and Genex. We traveled to meet a specialist, and met embryologists in our local communities. We sent our AI specialist to embryo school to become an embryologist. That way we knew we could have someone here, working with our breeding program, who is up to date on the latest technique. I think this will help our future success,” he says.

Mike and his youngest son, Brandon, run the ranch. “After we got into Wagyu cattle, Brandon became involved. Without him, I couldn’t do this; it would be too much work for me, with the schedule I carry. I am more of an assistant to him, on the day-to-day ranch chores. We work together on our breeding program,” says Kerby.

“We have been mainly an AI and embryo breeding program, and only use bulls that are proven—that have a good track record. With AI we can use proven bulls from anywhere in the world. One thing I’ve learned is that no matter how good a bull looks, if he doesn’t have the genetic material for marbling and calving ease you could be setting your operation back many years. So we are very careful on that,” says Kerby.

Most ranchers he talks to are really interested in what the bull is, but overlook or don’t put enough attention on the cow. They tend to forget that the bull is only half of that calf’s genetics. “We look at our cows as being a huge part of our breeding program. All our cows go through the same genetic tests, marbling tests, fat tests, etc. as the bulls. When we flush cows, we only flush the top 7% of our herd.”

Buck Mountain Ranch also uses sexed semen. With the price of heifers right now, he is trying to produce as many heifers as possible. This year about 90% of the flushes were done with pre-sexed semen, to produce heifers instead of bulls.

“I think a person can have as good a success in conception rates using pre-sexed semen as using conventional semen. Pre-sexed semen has a bad rap, with statistics showing lower success in getting embryos. But we’ve gotten as many as 7 grade one embryos from one flush, using sexed semen. I think it can help get a person to their herd size goal faster,” he says.

“Most of our embryo calves are born from Angus recipients. The extra milk from the Angus cows gives our calves a boost; this makes a huge difference in the health and growth of the calf crop,” says Kerby.

BREEDING PROGRAM AND GOALS – “Our goal at Buck Mountain Ranch is to breed some of the top seedstock in the country. There are a lot of great Wagyu breeders and we like to think we are one of them. Our ranch raises Full Blood Black and Full Blood Red as well as crosses of these. I encourage every Wagyu rancher to use rotational breeding, using both types. I tell people to look at the red genetics because of the vigor you get. If you cross a high-growth red bull on a high-marbling black cow for your rotational breeding, you will be amazed at the size difference in the offspring. The composite half black, half red Wagyu is much bigger than even a very large black Wagyu,” says Kerby.

“Most ranchers don’t consider Wagyu because they tend to be small animals. But the crossbred black/red Wagyu are bigger and still have plenty of marbling. They just develop faster and grow bigger. Their milking ability is much better than the standard black Wagyu. There is a lot going for the cross, especially with our limited gene pool in this breed,” he explains.

One rancher came to look at his heifers, knowing about Wagyu and how small they are compared to animals in most beef breeds. “He looked at how big our red composites are, and then went to a competitor’s ranch to look at their heifers—and said he would probably come back to buy ours just because of the size difference. Since we are primarily a seedstock operation, our philosophy is to have them a little bigger than the typical Wagyu,” says Kerby.

“Our females are huge. Everyone who visits our farm can’t believe how large our cows are. We recently had bull buyers here who were traveling the country to find bulls for their company and they remarked that ours were the biggest yearling bulls they’d ever seen. This is all because of our deliberate and meticulous breeding program,” he says.

“The first semen from our top bulls will be available in 2015. We want to run our ranch like an open book. We are using everything at our disposal to create our donor program--from the latest genetic tests to ultrasound scan—and sharing this information with our customers so they know exactly what they are buying when they are looking for their next herd bull or donor cow,” he says.

“We have some yearling bulls we are getting ready to ultrasound. I think that the more information we can offer buyers—on the bull or heifer they are buying—the better choices they will be able to make. We grade and price our livestock according to how they do on the ultrasound, tenderness, genetic makeup, etc. If we have something that truly excels in the desired traits, it will be a little more expensive, but the ranch that buys that animal will know exactly what they are getting. It’s not just pedigree,” he explains.

“Not all offspring of a good bull are equal. We know that the wrong bull or donor cow can set your program back years. The more information the breeders get, the better choices they will be able to make, to help their own operations. There is no guessing; our customers know what they are buying,” says Kerby.

MARKETING AND NETWORKING – People often ask him what the drawbacks are to Wagyu. “First is the cost to get started. Second is how to sell your calves when you can’t take them to the local sale barn,” he says.

He has met most of the Wagyu ranchers in the Midwest, or talked with them on the phone and has made it a priority to reach out and get to know them and network with them. “Most of these people are the best ranchers I’ve ever met. They know what they are doing when it comes to breeding, feeding, mineral programs, etc. but marketing is the big challenge. Because it’s a niche breed they often wonder where they can sell these animals. Many of them are better breeders than marketers,” says Kerby. With nearly any other breed of cattle, you can take them to the local sale barn and get market price for them, and get a check that day. It’s more difficult with Wagyu.

“I’ve made a point to meet or talk with most of the big ranches in the U.S. and also in Canada and Australia. I’ve found that the average ranchers are very good at what they do on the farm but what they often struggle with is being able to market their cattle. To help with this, Brandon and I held the first Mid-West Wagyu event last April. It was different from anything else I’ve seen in this industry. It was a one-day networking event that highlighted guest speakers on topics ranging from feeding to maximizing a breeding operation with ET and AI, with tips to get conception rates higher. Since I am a financial advisor, I talked about how to keep your ranch out of probate and to leave a legacy.”

“We had mineral companies talking about their products and buyers from one of the major F1 markets. Ranchers from 13 states attended and it was a great success. We put together a book that included everybody’s contact information, what they raise, what they sell, etc. Our goal was to get everyone together and get to know each other. I think we are stronger by working together,” he says.

“Our plan is to host the first Mid-West sale in 2016. The breeders in Illinois, Missouri, Kansas, Nebraska, etc. have to travel a long ways to attend a Wagyu auction. There are many great auctions in California and the east coast, Texas and the Northeast. We also need one that’s centrally located, so we are planning to host it in Springfield, Missouri. There will be a dinner, and the day before the auction we’ll have a full day educational event with guest speakers. People can learn more about the genetic tests, different feeding programs, etc. and the next day go to the auction. Since Springfield is centrally located near Branson and 3 major lakes, we tell people to come to our event and stay for a vacation,” says Kerby.

He feels that the more education people have and the more they learn about Wagyu, the more they realize it makes sense to add some of this breed into their herd, no matter what the base breed. With Wagyu’s exceptional marbling and calving ease, this can help any herd. “If we can keep our bulls at desirable size, I think every rancher would want some of these genetics in their herd,” says Kerby.

For new ranchers who want advice about getting into this breed, he tells them to do their research. “It takes a lot of money to get started embryo flushing, but this is the fastest way to build a cow herd,” he says.

He recently teamed up with a good friend and like-minded rancher, Chuck Davis, who owns D&H Wagyu in Marshall, Missouri who has 100-plus Angus cows they are using in an ET program. “We supply the embryos and use his cows for recipis, and split the calf crop. It cuts the costs for both of us. We didn’t have to buy more recip cows and he didn’t have to buy donor cows or embryos so it works great for both ranches,” he says.

This is something small ranchers could look at, to get started. When embryos cost as much as \$1500 to \$2500 apiece, it helps to be able to partner with someone who is doing this. Right now recipient cows are also expensive.

The two ranches are about an hour's drive apart--but work well together. "Chuck is a great partner, with a lot of cattle experience. Within a year and a half we'll both have about 100 fullbloods, so between us we'll have 200 Wagyu cows. This will be a good start to help support the sale we're planning for 2016. Networking has helped us both." Kerby feels the future is bright for the Wagyu breed and says he and his family are thrilled to be a part of it.

FAMILY – "Without my son Brandon, we wouldn't be as far along in our program as we are now. This is a team effort and the most exciting thing is that it's a family business that I hope to pass down to future generations," says Kerby.

"I am a single dad, with 4 kids. I became a single parent when they were babies. It's been an interesting 20 years, raising my kids. They are grown now; my youngest daughter is 18 and just started college. All my kids have stayed in our local area. My oldest son Dick works in my financial business and eventually may take it over. My oldest daughter is married and has 4 children. We recently celebrated with a birthday party for my youngest son and two of my grandkids. This was a big event," he says.

"These young grandchildren like to help on the farm. We go out and look at our cattle, or go fishing or look at the deer. It's a great place to raise kids. We have beautiful streams here in the Ozarks and I enjoy going out for a day with them to wade and swim and catch crawdads. Soon they'll be hunting the whitetail deer that roam our ranches," says Kerby.

Family is first, with him. "We have our family events and these special occasions are high priority in our family. We have to come together for these, or we will lose touch," says Kerby. He and his family also enjoy sharing their outdoor experience with other people, especially children. "We have kids from the inner city that come out to our farm, and we have some youth programs. Some kids have never even seen a crawdad," he says. He likes to give these children the opportunity to get out to the farm and the woods and enjoy nature.