



An alternative product, alternative marketing and clear goals enable Larry, Rose and Monty Mason to come back to the home farm to take care of their parents, restore the prairie and build a profitable and growing agricultural enterprise.

# ***Tarbox Hollow: A Home on the Range***

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### **Back to the Home Place**

Larry and Monty Mason's parents needed more help as they grew older, and so Larry, his wife Rose and Monty all returned to the quarter section farm near Dixon, Nebraska, where they grew up.

The farm had 320 acres enrolled in CRP to provide income for the elder Masons, but that income wouldn't support the whole family. The CRP contract was about to expire, so the Masons began to explore their options.

### **Pioneers on a New Frontier**

The obvious choice was to put the land back into crops.

But considering how unprofitable cropping had been, what it did to the land, the huge cost of buying equipment for crop production, and the fact that they didn't really like tractor driving all that much anyway, the Masons kept looking.

They wanted an enterprise that combined the resources available on the farm and their own passions. The Masons, who are very interested in reconstructing native prairie on their land, recognized that the farm's biggest resource is grass.

They discovered that buffalo could use that abundant grass to generate enough money to support the lifestyle they wanted. Buffalo are easy to care for and do a good job of utilizing even poor quality forage.

In addition, the consumer market for buffalo meat was emerging and showing signs of improving at a good rate.

But they still needed capital to get started.

### **Financing the Start:**

#### **A Buffalo in Sheep's Clothing**

Raising buffalo was uncommon in Nebraska and few lenders knew much about it, so the Masons began their buffalo

rather cheaply. They sold some of their mature animals at premium prices before the end of the lucrative breeders market.

With their buffalo gaining in market value they didn't have

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enterprise by feeding sheep—something that would cash flow and lenders understood. By repaying their initial loan on time or early, they built equity while cultivating a good relationship with their banker. After a couple of years of feeding sheep they approached the banker with figures and cash flow projections on raising buffalo. The banker went along with the plan.

The first year, 1993, they purchased 60 yearling female buffalo calves. Buffalo heifers don't breed until they're two years old, so after one year of feeding their investment had doubled its worth. They sold a few animals to make the bank payments but bred most of them, which further increased their value.

Fortune would have it that 1993 saw the beginning of a breeding market surge so they benefited from good timing. Since the Masons entered this market relatively early they were able to build animal inventory

much trouble financing the purchase of more animals and more land. The Masons purchased an additional 200 acres of CRP land in 1996 and rented 200 more acres in 1999.

#### **There's More Than One Way to Sell a Buffalo**

The Masons diversified their wholesale operation with services such as tours, buffalo hunts, a “cowboy shoot” timed pistol accuracy competition, and black powder shooting activities.

The tours featured an educational presentation followed by a wagon ride to the pasture. The buffalo were conditioned to recognize people as the source of range cake, a protein supplement for cattle, and a few could even be hand-fed. Visitors were encouraged to purchase souvenirs and packages of frozen buffalo meat.

The pistol and black powder shooting events were intended as outreach to the community and

didn't generate profit, but the tours supplied a big portion of their income. In 2000, the sixth year of the enterprise, over 4,000 visitors brought in \$20,000. But this year they ran into a snag.

### ***Transforming a Roadblock...***

New government regulations come into effect this year that apply to farms that give public tours, and have made it very difficult to continue tours at Tarbox Hollow. "The typical, one-size-fits-all mentality of the regulations do not fit the needs of buffalo," says Larry.

For example, obligatory health inspections necessitate running the animals through a working chute—a stressful process for any animal, but especially the free-roaming buffalo. They fight the enclosure, often to the point of self-injury. The Masons feel the process is one of the most dangerous for animals and humans alike, and should be used only when absolutely necessary.

The regulations, compounded with the threat of Foot and Mouth Disease, shut down the tours.

But how would the family compensate for the lost tour income?

### ***...into a Short Detour on the Way to the Goal***

While the tours did provide a major portion of the farm's income, they were also very time-consuming. The Masons always intended to cash flow their operation with meat sales, and it seemed like a good time to start.

Larry, Rose and Monty's active family partnership uses a consensus process to identify strategies

that fit their long-term goal. They worked out a plan to include education and more aggressive marketing to insure the success of the business.

The Masons' existing customer base is primarily people looking for a unique food. They will begin to promote lean and tasty buffalo meat as a regular item on the average consumer's grocery list as well, taking their product from specialty to mainstream markets.

They also plan to expand on another familiar specialty market: health-conscious consumers. They currently sell through a Natural Meat Co-op, and regularly supply two alternative medical institutions with fresh, unfrozen buffalo meat. Buffalo meat has a high level of conjugated linoleic acid (CLA), which some studies suggest fights cancer and reduces cholesterol. CLA is found only in animals that eat fresh grass.

The environmental benefit of raising buffalo on prairie is another strong selling point.

They'll get the word out locally by speaking to clubs and organizations, and actively seek out other marketing opportunities. To reach a broader audience, Tarbox Hollow has developed a web page ([tarboxbuffalo.com](http://tarboxbuffalo.com)) where browsers can see pictures of the farm, learn about the health benefits of eating buffalo meat, order meat packages, register for a buffalo hunt, and get directions to the farm. The site also gives links to related web resources.

Consumer education has benefits beyond simply increasing

current sales. False information is the specialty meat producer's biggest enemy, and education is the best tool to combat it. Most of the Mason's sales are directly to customers, and they believe that developing an educated consumer base will improve long-term customer loyalty as well as sales.

The "cowboy shoot" (a timed pistol accuracy competition) and black powder shooting activities will continue at Tarbox Hollow. The Masons enjoy providing a popular service—a location for shooting enthusiasts to enjoy their sport—at no charge. The increased traffic may have the added side effect of bringing in new sales.

### ***The Bottom Line***

What started with 60 yearlings on 160 acres is now 300 buffalo running on 700 acres, 200 of which are rented. Annual buffalo sales now include 50-60 head of breeding stock and 52 for meat. The buffalo hunts bring in another \$5,000 annually. There are no plans to increase the size of the herd, but the Masons do want to increase the volume of the buffalo meat sales.

Because expenses are minimal, the profit margin is 50 percent. They sell an animal for double what they have invested in it. Margins are high in part because they market directly, bypassing a middle-man and keeping more profit on the farm. They also sell most of the animal, including the skull, hide, and sometimes even the internal organs.

If the Masons sell the hide and other products as well as the

meat, they need to sell only 50 mature animals per year. A 1,000 pound animal will gross about \$2,500-3,000 with a net of about \$2,400. If the animals are calves (under one year) for the breeding or feeder market, they need to sell 125-150 annually. Typically buffalo breeding stock sells for about \$800 a head, similar to the price for beef calves.

Their primary expense is purchased winter feed for the buffalo, although Tarbox Hollow buffalo rack up about a 25 percent lower feed bill than cattle. Since feed is a major portion of either a beef or buffalo operation's fixed costs, this translates into a 25 to 30 percent savings over beef production.

The Masons don't raise winter-feed, because haying equipment is expensive to buy and it takes too much time and land. They figure they can buy the feed eight out of ten years for less than it would cost them to put it up themselves.

Adding to the profitability of the breed, a buffalo cow's productive life is much longer

than cattle. It is not unusual for a buffalo cow to produce calves for 20 years. The low culling rate allows buffalo producers to sell more female calves than the beef producer, who typically culls at eight to ten percent or more annually.

Other major expenses are land taxes and rent. The veterinary bill is usually insignificant.

### **Challenges**

There is no local facility to process the animals. Larry says, "Buffalo harvest should be done under field conditions to minimize stress and lower injury. Most buffalo meat now is processed in North Dakota using animals that are fed in cattle-type feedlots."

Feedlot buffalo producers are the biggest competitors for the kind of grass-fed operation the Masons run. They have found allies in other grass-fed buffalo producers, and through the Nebraska State Buffalo Association the Masons learn new techniques and help direct public policy that could affect their operation.

There seems to be a relationship between the cattle and buffalo markets. Larry Mason thinks that when cattle producers get sick of low prices for cattle,

some switch to buffalo, driving up the price. As the cattle market recovers, cattlemen switch back to beef.

### **These Tools Travel Well**

Although the Masons started this business only six years ago, they feel they have achieved their goals of caring for their parents and supporting themselves in Dixon County, Nebraska, and restoring a native prairie plant community on the farm. As Larry says, "We're able to support ourselves in the lifestyle we want."

Larry, Rose and Monty have capitalized on the unique resources of their particular location, but they have also recognized their unique human resources and talents. Rose does the bookkeeping, greets visitors, and gives presentations about the diversity of products available from the buffalo. Monty, who likes to write, takes care of much of the communications, press releases, and brochure editing. Larry is active in the Nebraska State Buffalo Association, and does public policy work. All three promote the farm through public speaking.

Even if you're not interested in buffalo production, the principles the Masons use to achieve their goal are sound for any new business. The first step is to identify your goal, and decide how to achieve it. Then do your homework. Learn as much as you can about your product before you start.

Larry says, "Identifying your resources is the most important thing a person starting a new business should do." He adds, "Making the best use of the resources you have will minimize your investment and capitalize on your advantage."



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