

# RESILIENCE

*Moving forward from the unforeseen.*

*by Miranda Reiman, Certified Angus Beef LLC*

If you're in the cattle business, it doesn't take long before you face a year you don't want to relive. Some lurk as raw memories, not buried quite deep enough to forget. Just the mention — four digits strung together to mark a certain time — can bring up the stress, the worry, the downright heartache.

For Texas rancher Jon Means, it's 1974. For Kansas cattle feeder Lee Borck, it's 2003.

For almost every American producer of every major protein, it will be 2020.

"We're used to disasters," says Borck, chairman of Integrated Livestock Services. "The weather or [bovine spongiform encephalopathy (BSE)] or the Y2K drop in the market that affected our whole economy — we're used to dealing with disasters.

"But this is of a total different sort."

When COVID-19 entered mainstream consciousness, it brought market and supply-chain disruption the likes of which most have never seen.

"This is on a grand scale, and I don't think

anybody really has a good grasp of it," Means says.

For Iowa Angus breeder Dave Nichols, a crisis might stir memories from 1982, and Nebraska cattle feeder Harry Knobbe starts quoting data from 1964. Montana rancher Doug Arntzen recalls the 1980s.

But even as these cattlemen crunch hard-to-stomach numbers in the here-and-now and wrestle with uncertainties that will change again before these words hit the printed page, they each hold guarded hope.

## **'All we've ever done'**

"I wouldn't say I'm scared. I'm concerned for people, but as far as the business, we'll come out on the other side," Means says.

He ranches near Van Horn, Texas, not far from Mexico — an area with less than 12 inches (in.) of rain an average year — a sure sign he's an optimist.

Just out of college, Means started ranching in 1974, when his dad passed away, leaving him to



shoulder the weight of decisions. Closing out the cattle accounts that year, he had to write a check to the feedyard instead of getting one back. It's the type of experience that might inspire the faint of heart to find a new path promising a steadier paycheck. But Means was already a cattleman.

"I'm the fourth generation here, and we just didn't do those things," he says. "I'm sure people before us endured the hardships and droughts and no money, the whole situation. I wasn't going to be the one that's going to quit."

In the years that followed, Means made adjustments to his dad and grandpa's plan. He bought additional ranches to spread out environmental risk. He rebuilt in the good years and sold down when impossibly dry years like 1997 and '98 rolled around.

"You can't change a drought. You can't make it rain. You can't change this market, and we can't do anything about this virus," he says. "We just have to

take care of ourselves and take care of our people. That's all we've ever done."

## 'Don't lose your cool'

Harry Knobbe sees adversity as a great teacher. "Any successful person has made some big mistakes, but you get to evaluate what caused it," says the West Point, Neb., cattleman. "You just have to be right more often than you're wrong."

Knobbe recalls details of an oversold futures market, or times when weather intervened in economics the same way an Angus breeder rattles off historic bloodlines. Since 1960, this has been his career and his life.

"We love it," he says.

Although digital records give him easy access, Knobbe often prefers the printed chart that spans his office wall. It's a 52-week rolling average for finished cattle prices, and it's not just history — it's data that can be applied in real-time.

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# “IF YOU’RE IN AGRICULTURE, TALK TO A PERSON THAT ISN’T COMPLAINING,

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“You need a guideline. When you drive somewhere, you look at the gas gauge. You look at the heat thermometer, the oil pressure. We don’t check the oil pressure enough with the past markets,” he says.

Even today, when some market influence doesn’t compare to an event in the past, Knobbe looks for patterns and ways to apply logic.

“When you’re on a sports team, just because you’re behind at halftime, don’t lose your cool,” he says. It applies here. “If you panic, you can’t think. You’ve got to control your emotion.”

## ‘Go the extra mile’

“You’ve got to have a plan,” Nichols says.

He had a front-seat view of the 1980s Farm Crisis, and that heaviness mixed with the personal tragedy of losing his brother, his best friend and business partner in 1982. If Nichols took a souvenir from that chapter of life, it’s the mindset, “plan for the worst, but hope for the best.”

Applied this year, that’s why the breeder split up his crew and cancelled in-person meetings to reduce risks of catching and spreading the virus in March. He watched the market crash begin and called his banker to secure additional credit, just in case those bulls in the bull barn didn’t sell. And then he did what he knows best: he took care of those who depend on him.

“You have got to go the extra mile, now and in the foreseeable future,” Nichols says.

That goes for his employees, whom he considers

family, and his bull buyers, whom he considers his greatest asset.

“As a seedstock producer, you’re going to do about as well or as bad as the customers you sell your cattle to, and the customers I’m selling my cattle to are going to have some rough times for a year or two.

“Let’s make damn sure they’re able to get through it because the cattle are good enough.”

## ‘Just as much hope as I ever had’

It was right before Christmas when the call came in the early evening — Borck’s 2003 story probably starts like many others — “Lee, they found a BSE cow and it’s going to get ugly.”

The market went limit down day after day.

“We were scared as hell,” he says. “We hedge most of our product most of the time, but the fact of ... how do you buy back? How long is this going to last? Is it going to be permanent demand destruction that we’re looking at?”

Those are hard questions, and the answers aren’t easy when you’re living them. They’re the same hard questions cattlemen are asking now.

“Yes, I was emotional, but there wasn’t a damn thing I could do about it,” Borck says. “It had already happened. We just had to start measuring what the impact was going to be, and how we could offset that risk that was coming.”

This 2020 situation is vastly different, but he’s approaching it the same: “You have to be realistic with yourself as to what you can do and what

# BECAUSE THEY MUST BE DOING SOMETHING RIGHT.” —HARRY KNOBBE

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you're unable to control and try to make the decisions that way.”

He takes stock of the improvements made in product quality, takes heart in the creative problem solvers already addressing future challenges.

“I have just as much hope as I ever did,” Borck says. “I think we'll come back. We've always had the best protein product out there.”

It's that confidence that keeps cattlemen constantly pushing ahead.

## 'That gives me optimism'

In Montana this April, they'd already backed off their planned amount of food and lined up extra people to work the phones. But when a spring snowstorm came in the day before sale day, Doug Arntzen looked out from the ring to a crowd less than one-fifth of the usual.

The rhythm of the day seemed different. There were fewer conversations between neighbors and friends, and most of the seasoned generation opted to stay home.

“My grandkids didn't even attend. So it definitely took a toll on the feel of the sale,” he says.

But nearly 100 people tuned in online, ready to invest in the future of their herds.

That attitude, being nimble while looking forward, saw most in his country through the '80s interest-rate frenzy and the drought years of scarce grass that immediately followed, Arntzen says.

“People just had to change their strategies and what they could buy. They had to cull and keep as

much quality as they could,” he says.

Arntzen and his brother operate Arntzen Angus Ranch with his three sons and a nephew. Seeing the next generation pick up the reins in their own business and in others across the region — “that gives me optimism,” he says.

## MOVING FORWARD

The ability to remain hopeful in the face of hardship: is it a mastered skill? Learned behavior? A genetic tendency?

“The older you are, the more of these disasters you experience. You never get accustomed to them, but you react differently than what you do when you're younger, because they've never seen it before,” Borck says. “You get over it and start looking for a way out of it.”

Perhaps it's a trait the ag community has in greater abundance, because often there's no other choice. Or perhaps it's because moving forward from unforeseen challenges is more fun than looking back on them.

The grass is growing in south Texas — a sign Means won't take lightly this year.

“I have a strong faith and I think that plays a great part in it all,” he says. “We have wonderful friends and neighbors and we just know we're going to get through this, one way or another.”

That's resilience. 

*Editor's note: Look for more #AngusFamily Moving Forward stories like this in upcoming issues of the Angus Journal and online at [www.Angus.org/MovingForward](http://www.Angus.org/MovingForward).*