

The Talk of Maine

## **Following the Herd**

*The beef industry is booming in Maine, thanks to an ingenious new approach to farming.*

**Jeff Clark**

Over the past several years, Gene Lawlor has doubled the size of his cattle herd and added hundreds of acres of leased land to his farm in Merrill, a tiny community twenty miles west of Houlton. Lawlor can expand because he has the one asset every farmer needs -- a dependable market. "We would never have gotten this large if we didn't have a ready market," he explains.

Now he's looking to grow some more, and so are other cattle farmers in Maine, in direct contradiction to the conventional wisdom that says farming is a dying enterprise here. In fact, the latest federal cattle census showed that Maine was one of the few states to show an increase in its cattle herd this year, to 92,000 head, despite the loss of more than 6,000 milk cows in recent years.

"We're a major reason that number is increasing," says Erick Jensen, president of Pineland Farms Natural Beef. Based at the Libra Foundation's Pineland Farms complex in New Gloucester, the company is the for-profit spin-off of Wolfe's Neck Farm, the Freeport farm that pioneered organic beef production back in the 1960s. These days Pineland is processing two hundred head of cattle every week, up from forty only five years ago, to meet the demand for beef raised without antibiotics or growth hormones.

At a time when meat recalls for various contamination issues and nationwide outbreaks of foodborne illnesses seem to occur on a weekly basis, the demand for all-natural beef products is expanding by 20 percent a year, according to Pineland Farms officials, even though the overall market for beef has remained relatively stable. "People are increasingly particular about the type of meat they buy," explains Bill Haggett, Pineland's chief executive officer, "and that number is growing. The business is getting stronger all the time, and the potential effects on Maine's agricultural community are huge."

"We're not only seeing existing producers expanding, we're also seeing new producers getting into the business, and that just wasn't happening a few years ago," adds Judy Powell, executive director of the Maine Beef Industry Council. "Pineland Farms has had a tremendous impact on the industry."

About 3,500 cattle a year, or a third of the animals Pineland Farms uses, come from about fifty producers in Maine. But the company hopes to build its local supply lines with the construction of a new feedlot in Fort Fairfield that will handle 7,500 cattle a year, in addition to the output from half a dozen smaller farmer-operated feedlots scattered around Aroostook County. It is actively recruiting farmers around the state to raise weaned calves to feedlot weight on summer pastures. A few weeks ago the company sent letters to more than seven hundred farms in Maine encouraging them to get into the beef business. The Maine Department of Agriculture has set up two new loan programs to help farmers buy calves to grow out for Pineland and cows to expand their own calf-producing operations.

"This is an exciting time for the beef industry in Maine, and it's sort of exciting just to be able to say that," quips Clint Giustra, the livestock specialist at the Maine Department of Agriculture.

Erick Jensen joined Wolfe's Neck Farm as farm manager in 1997, at a time when the nonprofit

demonstration farm and education center was just starting to think ambitiously about its once low-key organic beef operation. Meat from the farm's Black Angus cattle had always found an eager market locally, and the directors decided to expand the business to other producers and new outlets. By 2000, farm officials were talking about building a beef-marketing system that would involve four hundred farms and fifty thousand acres within five years.

Those numbers never materialized, which was just as well in retrospect. The farm's all-natural beef sales were increasing by 50 to 70 percent a year as it was. "It moved extremely rapidly, and early on that was our problem," Jensen recalls. "We didn't have the systems or the structure or the people in place to handle that size."

Two years ago, recognizing that the business had outgrown its roots, Wolfe's Neck Farm sold the beef operation to a group of investors led by the Libra Foundation, the Portland-based nonprofit that has staked out a position as a major supporter of rural Maine. The foundation had bought and refurbished the old Pineland state mental health complex in New Gloucester, turning it into an office center and demonstration farm.

"Wolfe's Neck beef was growing and struggling to achieve consistent profitability," explains Haggett. "It made sense for the nonprofit to spin off the beef operation."

Libra officials liked the potential impact a successful beef industry could have on the agricultural community in Maine. Just to supply Pineland's own feedlot in Fort Fairfield will take more than seventy farmers producing at least a hundred calves a year. Currently, the company has to buy many of its weaned calves outside Maine and truck them here each spring because Maine cow-calf operations can't supply enough animals. The calves go to farms to graze in pastures through the summer and fall before being moved to a feedlot for several months of finishing on specialized feed rations made from grain and other agricultural products that can be grown in Aroostook County.

"We're already buying a lot of grain and hay up there," Haggett explains, "and we'll need more. An animal in a feedlot eats about thirty pounds a day. We're buying byproduct from the McCain's potato processing plant for feed and large quantities of wood chips and sawdust from local sawmills for bedding."

The industry is also keeping farmland in production. "There's a lot of old potato land up here that was always marginal for potatoes," Lawlor explains, "but it's great for hay. We lease a lot of abandoned potato land for hay or ensilage." About half of the 630 acres Lawlor farms is leased land.

Nor is Aroostook County the only region benefiting from the new industry. Landowners throughout central and northern Maine have found a new use for land that previously would have grown up in scrub and brush. "People are taking advantage of one of Maine's largest natural resources, the grass," Giustra explains. "You purchase a calf in the spring, graze it all summer and fall, and sell it to the feedlot after frost. Plus there's the new demand for hay."

"We're working now to get more cattle on potato operations," notes Dee Potter of the University of Maine Cooperative Extension office in Fort Kent. Typically, potato farmers use a two-year rotation, with potatoes alternating with field peas, hay, or small grains such as oats or barley. "We're trying to move farmers to a three-year crop rotation schedule," Potter explains. "We'd like to see them grazing cattle on rotation crops or raising feed."

Potter says Aroostook County has seven thousand to eight thousand beef animals, but there's room for a lot more. Pineland's activities have created additional demand and more demand for Maine beef, and that is encouraging more farmers to get into the business.

"Before Pineland came on the scene, Maine producers were sending feeder cattle as far away as Iowa," Lawlor explains. "We got a lesser price than we would have in a larger beef-producing region because of the expense of trucking the animals. Now we're getting at least that full market price and sometimes more."

On the other hand, he adds, raising cattle to meet Pineland's strict standards requires more intensive management and care. Pineland doesn't allow the use of antibiotics or growth hormones, and its animals must be humanely treated, with access to the outdoors and plenty of room. It does not insist on organic feed, which is difficult to come by in Maine; thus the label description of "all-natural" rather than organic.

"In the spring, for example, we have to time the calving differently and bring the cows into the barns for calving, because we can get some pretty nasty spring weather up here," Lawlor explains. "Before this, you didn't have to be so careful because a calf with pneumonia just automatically got a shot of antibiotics." Potter adds that Pineland's standards have also changed the way most of the small feedlots finish their cattle.

"If farmers want to meet Wolfe's Neck label standards, they need to pay more attention to the details, keep better records, use better herd-health programs, and undertake herd-improvement plans," Giustra says. "We've been trying to get them to do that for years, but the system didn't offer them any rewards for doing that earlier."

Those rewards are another offshoot of Pineland Farms' efforts. "I think Pineland Farms is keeping farmers in business who wouldn't be on the land otherwise," Giustra says. "It has stabilized the market and provided a new source of income and better prices."

The lessons from the Pineland Farms experience are still being studied, but several points appear clear. For one, competing in national commodity markets is not a winning strategy. Specialty products are key, whether they are all-natural beef or organic milk or artisanal cheese. "We supply five hundred different outlets now," notes Jensen, "from Hannaford supermarkets to small restaurants, and we're projecting 20 to 30 percent growth per year for the next three to five years." The Wolfe's Neck label is now a national brand -- Jensen was speaking by cell phone from Hollywood, California, where Wolfe's Neck beef had just been introduced in a special kitchen competition.

Another is the need to help farmers overcome their natural skepticism toward a new idea. Potter in Fort Kent notes that many growers in the County and elsewhere in Maine are taking a wait-and-see attitude toward the new Pineland feedlot to see if it's worth their time and capital to participate. "A lot of folks remember how sugar beets and flax were going to make everyone rich," she says, referring to two of several projects that stirred plenty of initial enthusiasm before disappearing.

"The agricultural community in Maine has got to work with us to create the infrastructure necessary for an operation of this size," Haggett explains. "For example, the ideal situation would be to have calves born and raised in Maine. We're working with a number of cow-calf operations to create a supply to feed into our grazing and feedlot operations."

Haggett says the success of the all-natural meat market has attracted major competition from some heavy hitters in the industry. "Tyson Foods just committed to buying 75,000 calves a year for its entry into the market," Haggett says. "That's huge. Even Wal-Mart is talking about moving into the market."

Nonetheless, Haggett predicts that Pineland Farms will be processing at least 7,500 cattle a year in Maine alone in cooperation with fifty to a hundred different suppliers. "We'll be buying Maine-grown grain from several thousand acres of cropland, and our cattle will be grazing in fields all over Maine -- a lot of cattle, a lot more than anyone has seen in the recent past. And there's nothing but good that can come from that."

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