



The *New* American Farmer

Diana and Gary Endicott, Rainbow Farms

Bronson, Kansas

Summary of Operation

■ *75 head in cow/calf operation*

■ *Tomatoes, grain and hay on 400-acre certified organic Rainbow Farms*

■ *Coordinator of Good-Natured Family Farms, a group of “natural” meat and vegetable producers*

Problem Addressed

Raising “natural” beef and getting a premium. After moving to Kansas to run their own ranch, Diana and Gary Endicott sought a way to produce beef in a way that would reflect their principles and provide them with a premium price.

Background

When the Endicotts decided to return to the rural beauty of their childhood home in southeast Kansas, they bought a 400-acre farm and began raising beef cattle, vegetables, grain and hay.

They always had big ideas. They wanted to sell their organic beef from the farm directly to customers and sought a way to connect the dots — from rural slaughtering plant to small processor to local supermarket, marketing their product outside the bounds of the mainstream food system. In today’s perilous agricultural markets, realizing this kind of vision takes initiative, energy and a lot of courage. The Endicotts have an abundance of all three.

What later became a 30-member meat cooperative started small. In the mid-1990s, the Endicotts had scaled back from salad vegetables to focus exclusively on tomatoes and wanted to sell them at an upscale grocery. Diana Endicott took her tomatoes to Hen House Markets, which has 15 stores throughout Kansas City, and passed out samples to produce managers.

“We went into that store and not only tried to sell our product, but we tried to sell ourselves,” she says.

Focal Point of Operation — Marketing

Both Diana and Gary squeeze out about 40 hours a week to work on the farm, where they are helped by Gary’s parents. They have integrated their tomato and beef operations, composting manure and hay from the cattle feedlot for use on tomato plots. The rest of the time they spend growing their small business, the Good-Natured Family Farms Alliance.

After Hen House began buying tomatoes from the Endicotts, the couple offered meat managers their hormone- and antibiotic-free corn-fed beef. Hen House, coincidentally looking for a branded beef product, began buying their meat. When demand exceeded supply, the Endicotts searched for other producers who could provide tomatoes and beef raised using such “natural” methods.

Today, Diana is the market coordinator and driving force behind the “Good-Natured Family Farms” cooperative, a group of family farmers and ranchers in Kansas and Missouri. The co-op’s product line

expanded to include beef, free-range chicken and eggs, milk in glass bottles, farmhouse cheeses and tomatoes, among others. Their meat is labeled “all-natural,” a USDA-approved claim specifying the ranchers use no growth-enhancing hormones, sub-therapeutic antibiotics or animal by-products.

Producing and marketing beef in a cooperative allows the ranchers to get paid for the added value of beef produced without such supplements — while sharing risk, knowledge and profits.

“The meat market is very competitive,” Diana says. “We’re all competing for shelf space in the supermarket, and we don’t have the volume to compete with the large producers. We’re trying to develop the local markets, and the best way to do this is to have many producers band together.”

Primarily third- and fourth-generation farmers, co-op members hail from central and southeast Kansas and west central Missouri. They operate diversified farms using certified organic, transitional or sustainable practices. All of the cattle are grazed on grassland, then fed a corn ration during their last four months of production — 20 to 30 days longer than conventional beef. Endicott thinks grazing and a high-quality corn diet develops marbling for exceptional flavor and tenderness.

Co-op members are careful to ensure that their labeling claims are true. Each producer follows strict USDA-approved quality control procedures and sign forms that spell out their production and “no-chemical” claims. The meat from each animal is labeled at processing and tracked so that each package can be traced back to the farm — and animal — of origin

Diana researched pricing by examining

branded beef program pricing grids, then developed her own pricing spreadsheet.

The middle meats are easiest to sell, while the “end meats” posed a marketing challenge. With a SARE grant and assistance from Kansas State University, the co-op gave five meat managers nearly \$1,500

tax registration and trademarks.

As if the challenge of organizing a producer co-op wasn’t enough, the co-op had to find a slaughtering plant and processor to accommodate the ranchers’ desire to follow each cut from field to grocery. They purchased a Kansas state-inspected meat pro-



Bob Cunningham

Diana Endicott led her meat co-op’s effort to learn the public’s preferred cuts, partly by in-store sampling.

worth of meat products to prepare and judge for 15 consecutive weeks. Information from the survey not only provided producers with valuable production and marketing information, but it also helped cement positive, reciprocal relationships with meat managers.

With support from the meat managers, the co-op now has lead-off counter space in 15 Hen House stores throughout Kansas City. Reaching this point has meant negotiating seemingly endless hurdles, but Diana has taken on the details systematically — and even cheerfully. To organize a formal cooperative, Diana did research, networked and attended meetings to learn articles and bylaws, business plans, feasibility studies,

cessing plant and initiated the processes to change the plant to a federal inspected facility so they could sell their meat across state lines — Missouri’s in particular. That meant complying with a long list of federal rules.

Diana worked with inspectors and other officials at federal and state levels to comply with the strict labeling and food safety laws. She wrote her own labels and brought the plants into line with federal regulations in just one month.

“It was an enormous undertaking,” she says, “but I worked one-on-one with a federal inspector and had a lot of hands-on knowledge going into it.”

Eugene Edelman, co-op president, visits the member ranches and does the slotting and cattle deliveries for the group.

Economics and Profitability

The co-op slaughters 30 head of cattle per week for Hen House. Diana said they are netting, on average, about \$45 to \$100 more per head than if they sold their cattle on the open market. They also see substantial premiums for chicken and eggs. Diana stresses that it took years to get to that point.

“When people put together an organization, they often have a misconception that it will become profitable immediately,” she says. “You have to be dedicated to a longer-term effort and, like most businesses, expect five years before you get the returns.”

One of the main benefits of the co-op is that members avoid the enormous variability in meat market prices, Diana says. This stability can provide them with a steady income and peace of mind. “Some of our members find increased profitability to be an advantage, but most are looking at a system that’s more sustainable,” she says. “We’re developing a network of producers who can learn from one another and gain more control over their markets.”

Taking animals independently from slaughter to store has inefficiencies costing nearly double what it would cost to slaughter conventionally. But Diana sees this as incentive to reap even higher profits as they increase efficiency. For her exhaustive efforts, Diana sometimes takes a small cut from a markup she adds to sales; more often, that 4 to 5 percent markup goes toward the cost of putting on a promotion.

The Endicotts produce tomatoes — both outside and in the greenhouse — for six months a year. At their busiest time, in July, they sell several thousand pounds of toma-

atoes to Hen House stores each week, receiving about \$2 a pound.

Environmental Benefits

Grain fed to Good Natured Beef does not have to be organically grown; however, most producers in the co-op try to be as natural as possible in their production. All of the ranchers work on family farms and raise their animals on the open range. They all finish their animals themselves rather than in large commercial feedlots, most with feed they raise themselves, with the rest of the group buying grain with the least amount of inputs.

Community and Quality of Life Benefits

To qualify for membership, ranchers must raise cattle on a “small family farm” where family income is primarily generated from the operation and the family members are actively involved in labor. Working with small, local processors and meat lockers boosts rural economies.

As with any alternative marketing strategy, selling at supermarkets requires constant consumer contact and education. Endicott hires restaurant chefs to prepare samples so Hen House shoppers can taste Good Natured Beef and then buy it with coupons. Producers from the co-op often attend tastings to meet with customers, learning what they want in their meat while offering information about their family farms.

“A cooperative is like a family. You put together a diverse group of people, and you have to respect each other’s knowledge and opinions,” Endicott says. “Each of us tries to do what we think we can do best. Getting people together who have different skills and attributes really helps the business.”

Transition Advice

Unlike producers protective of their markets, Diana believes there is room for more

direct marketing, and that saving family farms means educating other farmers about profitable alternatives. She suggests producers seek help from private and governmental agencies, organizations, institutions and businesses. Diana says her first grant from SARE gave the project credibility and created more interest from other funding organizations.

Building relationships with processors and retailers also is key to success, Diana says. Although the road likely will be rough, persistence and some sacrifice will pay off.

“Do the legwork yourself and hire out as little as possible,” she says. “This will allow you to understand the necessary procedures from the farm through the market.”

The Future

Diana’s long-term challenge remains to develop a franchise that markets her idea of a sustainable food system linking local producers to local supermarkets. She likes to think of the Good-Natured Family Farms Alliance as a model that they can package as a success story prompting others to follow suit.

■ *Lisa Bauer & Valerie Berton*

For more information:

Diana Endicott
Rt 1 Box 117
Bronson, KS 66716-9536
(620) 939-4933
(630) 929-3786-fax
allnatural@ckt.net
www.goodnatured.net/

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