



## Hope on the range

**Eighteen years ago, Oregon rancher Connie Hatfield drove to the city and asked a health club owner what he thought about red meat. His answer helped shape Oregon Country Beef, now one of the most successful rancher-managed, certified natural beef labels in the country.**

By Courtney White

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**Doc and Connie Hatfield like circles.** When they give a talk, they often ask the audience to sit in a big circle, so everyone can see one another. Their goal is to encourage participation, which is why they literally refuse to be the center of attention. Circles, they believe, create a feeling of being a part of a large family. Which is a fair description of Oregon Country Beef.

Yet the conversation in a Hatfield circle is hard-nosed and economic-minded as well, which also describes OCB. The frank talk focuses on profit, healthy food, markets, marketing, progressive management, and bankers. They speak from experience, and they have a success story to tell. Bankers love Oregon Country Beef, they tell the circle. So do its customers. So when Connie tells the ranchers in the room to “decommodify or die,” as she invariably does, the circle listens closely.



Doc and Connie Hatfield

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In the mid-1980s, the Hatfield family ranch was broke and going out of business. Nothing was working right – beef prices were low, pressure from environmentalists was high, profits were nonexistent, and hope was fading.

Desperation ruled, and not just on the Hatfields' place. All across central and eastern Oregon, neighbors and friends on ranch after ranch were struggling to hang on economically and emotionally. Clearly, business-as-usual was failing.

Fast-forward 18 years. Today, the situation has been completely reversed. In place of despair, hope rules the range.

“My favorite indicator,” says Connie, “is how many babysitters we need at our annual meeting to watch the little ones. In the beginning we didn’t need a single one. Today, we need three.”

That’s because Oregon Country Beef has grown from 14 participating ranches to 70, with an annual slaughter of over 35,000 head of cattle. Families are not only staying put and making a living, some have returned home from distant points.

There are other indicators. A discriminating consumer can find Oregon Country Beef in grocery stores from Fresno, California, to Bellingham, Washington, to Boise, Idaho. The market for its locally-grown, natural beef continues to expand. In fact, OCB struggles at times to keep up with demand.

"We could add another twenty ranches easy," says Connie. "But we're kinda picky. Not everyone who wants in can adjust to our model. We make decisions by consensus, for instance. That means giving up some cherished independence, which is hard for ranchers. But that's what we do." Not everyone, in other words, likes to sit in circles.

## Going natural

Oregon Country Beef was born in 1986, when Connie Hatfield, driven to desperation, decided to confront her nemesis. She drove from her ranch near Brothers, in central Oregon, 45 miles west to Bend, the biggest city in the area. She wasn't going to confront an anti-grazing environmentalist, however, or a federal bureaucrat. Instead, she confronted a health guru.

"I went into a fitness center and asked the owner what he thought about red meat," she recalls. "To my surprise, he told me he loved red meat. In fact, he ate it three times a week. But he wanted healthy meat, which meant he had to buy it from Argentina! That's because it didn't have any hormones or antibiotics in it."

Connie quickly saw two marketing opportunities. "First, we could produce a healthy product for the consumer, and second, it could be local," she says. "They fit together perfectly."

When Connie began to ask around, she found fourteen ranch families willing to give the idea of OCB a try. Together, they made some early critical decisions about membership:

The meat would be **certified "natural"** – free of antibiotics, steroids, hormones, and other chemicals.

Each family would give at least ten days of their lives to **group meetings**, as well as at least one day a year **greeting customers at stores** in Portland and other cities.

Ranches would be available to **host tours for meat buyers**.

Each ranch would abide by **third-party certification** standards for land stewardship.

Each ranch must help OCB provide a **year-round (fresh) product**.

Each ranch **must craft a set of goals** to describe the sorts of lives they wish to lead, the desired condition of their land and livestock, the type of product they strive to produce; and the actions they are taking to achieve these goals.

It was a conscious departure from the "branded beef" programs pushed by the major food corporations, which often simply promote one type of animal, such as Angus, over another. The Hatfields weren't buying this strategy. "All animals look the same with their hides off," notes Doc Hatfield sardonically.

"Consumers today want to know what's in their food, where it came from, and what's happening to the land," says Connie. "But they're busy too, and they often don't have time think about the details. They want to do the right thing, but they often don't know what that means."

After 19 years of feedback, the Hatfields have discovered that taste is the consumer's number one concern. "They want a product that is fresh and tastes good," says Connie. "That's why they come back."

The issue of sustainable stewardship, however, remains strong for OCB ranchers. Over the years they have developed a set of management principles they call "Grazing Well," to which all participating ranches conform. They include:

**Proper water cycling:** dense stands of perennial plants, grass litter on the ground and native shrubs in the riparian areas – all capturing and holding water

**Using rotational grazing** of livestock so that grasses are given time to recover, including the deferment of pastures year-to-year

**Employing low-stress livestock handling** methods

**Maintaining biodiversity**, including predators, birds, and other wildlife

**Planning for long-term health**, rather than short-term maximization of resources

“By grazing well we hope to benefit not only the land and our families but our society as well,” conclude the principles. “We want our final product to be good food at a reasonable price that is an integral part of a healthy diet. We want our customers to know that their purchases are helping the land as well as people.”

## Getting down to business

For all the goals and principles that make OCB unique, the bottom line is top priority. Doc Hatfield put it this way: “You’ve got to make money every month or you’re not doing something right.”



Stacy Davies gives visitors a view of Roaring Springs Ranch from Steens Mountains.

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Apparently OCB is doing something right. Profits are strong. Their customer base keeps growing. The “herd” is up to 106,000 mother cows on 70 ranches across 4 million acres of public and private land. Between 600 and 700 head of cattle are sent to slaughter every week, providing a year-round supply to the retailers.

And it’s all done with a handshake. “We had \$25 million in boxed beef sales without a written contract,” says Connie. “It’s all based on trust and honor.” Best of all, seven young families have returned to their ranches. That’s because they can make a living in the beef business now.

Things have gone so well, in fact, OCB isn’t taking on new customers, preferring instead to concentrate on

expanding their base. “Unlike other meat operations,” says Connie, “we decided we needed a lot of space in a few stores, not a little space in a lot of stores. And that’s worked well for us.”

According to Doc, a major key to profitability is forecasting. OCB plans 18 months in advance, guaranteeing a price to the ranchers, free from commodity market fluctuations. Each producer has a good projection of what they will get, and when, for their cattle.

OCB members also control the animals from birth to slaughter. A typical OCB animal spends the first 18 months of its life on grass. Then it is moved to a family-run feedlot for 90 days before being shipped out. There is no animal fat or blood in the feed, and if an animal needs anything beyond routine vaccinations it is removed from the program.

Another key is to know the real cost of production, including long-term ecological sustainability. “Most ranchers have no idea of their true costs,” says Doc. “They know what their bills are . . . but they have no idea about the value of their land over time. For example, we aim for a 5 percent return on our land base at a value of \$1300 per cow unit”—the amount of land required to run a cow and her calf for a year—“which we think is a reasonable price for maintaining the land’s health. If you don’t reach this return, then you don’t have a viable operation for the long haul.”

Doc admits the \$1300 figure is an estimate, and obviously all OCB ranches are worth more than that on the real estate market, but the Hatfields are focused on the land’s value for raising cattle. He uses the estimate to value a ranch for the purpose of running a cow for a year—then he adds diesel, depreciation and other expenses.

“The traditional cost of production on a ranch is only what it takes to produce a pound of beef,” continues Doc. “We include the larger ecological costs, blended into a package and marketed as a

whole.” When a ranch is ecologically healthy and economically sustainable, “you have a perpetual motion economic engine.”

## The Southworth Ranch

“A sign of a true Western town is its honorable poverty,” says Jack Southworth, describing his tiny hometown of Seneca, in east-central Oregon.

The Southworth brothers' ranch was one of the 14 original OCB ranches, and Jack remains an active participant to this day. He drafted the ecological stewardship guidelines by which the Food Alliance, a nonprofit organization based in Portland, certifies each operation. He also continues to volunteer as a facilitator at the regular meetings of OCB members.

Southworth credits his involvement in OCB with turning his ranch, and his life, around. Economically, the fixed price he gets for his cattle gives him a critical degree of financial security and allows him to plan ahead more effectively. “I stopped trying to hit home runs every time and focused on hitting singles instead,” he says. “That’s helped a lot. We don’t get the highest prices this way, but we avoid the downturns too.”



Jack Southworth points out his stands of willows

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Ecologically, OCB’s emphasis on good stewardship dovetails with the close attention Jack pays to the health of his land. Socially, OCB membership has created a

sense of family that has gone a long way to reduce stress in Jack’s life. Overall, OCB enables ranchers like the Southworths to give something back – to the community, to the region, and to the land. “It’s not just the food, it’s the connection with the customers that I enjoy,” says Jack. “They give you a sense of well-being that I never got from the commodity market.”

All of these reasons explain why there’s a waiting list of ranches who would like to become OCB members (the only way to become a member is through nomination).


For all of his financial security, Jack Southworth may be most proud of his willows. Healthy, dense stands line both sides of Silvies’ River, which meanders across the ranch. It didn’t look like this when Jack was growing up. In fact, he remembers using a tractor to pull the very last willow clump out of the ground, under orders from his father, when he was twelve.

“My father wanted grass right to the edge of the water and nothing else,” Jack recalls. “The trouble was, that’s not what the river wanted. Soon we had a big problem.”



Without adequate vegetative protection, the river banks began to erode. Alarmed, his father began to deposit old cars in the water in a desperate attempt to stem the erosion. It didn’t work. When Jack took over the ranch right out of college, he tried a different strategy. He decided to plant willows and fence the cows out.

His father wasn’t at all pleased. “My dad was a tough old World War II



When the erosion started, Jack's father used old cars to stem the tide. It didn't work.

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Marine and he was pretty well set in his ways,” says Jack. “Maybe it was a generational thing. Dad tried to control the land. My approach is to go with what nature gives you.”

Toward that end, Jack and his wife wrote out a three-part goal statement for their ranch. The first two

parts focus on community and livestock well-being. The third reads: “To bring about the quality of life and products we desire we need a dense stand of perennial grasses with some shrubs. We want the ground between plants to be covered with decaying plant litter. We want the streams to be lined with willows, home to beaver and good habitat for trout. We want the precipitation we receive to stay on the ranch as long as possible and to leave here as late season stream flows or plant growth.”

And they've done just that. A recent inspection report by the Food Alliance noted the following accomplishments on the Southworth ranch:

*“Manager has fenced some stream sections that pass through meadow hay producing areas. This provides complete protection for the riparian vegetation inside. Riparian vegetation and dense perennial vegetation in adjacent fields, with good litter cover, all encourage rapid water infiltration, minimizing potential erosion.”*

*“Livestock are grazed to maintain and enhance perennial plant communities and spread manure over the ground.”*

*“The manager does not use herbicide weed control. The manager uses cattle to reduce plant vigor and seed production of problem plants, while promoting the growth of desirable vegetation to compete with weeds. No weed problems were observed on this ranch.”*

*“Ranch management has resulted in improved riparian areas and upland vegetation. Willows have been planted along streams to improve the diversity of riparian communities and improve bank stability, benefiting both fish and wildlife.”*

*“Great care was [taken to explain] how stress is kept low for animals and people.”*

*“Manager is continually trying new things, evaluating the results and making improvements on the ranch...the Food Alliance has no substantive comments to offer, your scores are exemplary.”*

## Closing the herd

Another thing Jack Southworth decided to do differently was to change the breeding program on the ranch. From 1981 to 1993, he employed an artificial insemination (AI) program on their best producing cows. Using a combination of Tarantaise and Angus bulls, Jack tried to match bull traits with “needed” traits in the cows, which is typical of many ranches.

“In 1994 we stopped AI and closed the herd,” says Jack. “Our theory was that we had plenty of good genetics in the herd and our rigid culling process and record keeping would keep the good genetics in the herd. So far, so good.” To date, weaning weights have continued to rise and conception rates are excellent. “What we are ending up with is a cow herd that works really well under our management and in our environment,” he says.

According to Jack, in order to stay in the herd, a cow must:

1. calve with little or no assistance as a two year-old
2. wean at least a 425-pound calf as a two year-old
3. breed back every year
4. never require any assistance after her first calf
5. have a good disposition

“We select our bull calves from what we call our select herd,” continues Jack. “This is a group of cows, five years-old and older, who have a lifetime history of above average production. This is a changing group of cows, as you are only as good as your last calf. On this herd we use our bulls with the best indexes and best conformation.”

Jack likes to use indexes, which he feels give a better picture of actual production. Potential bull calves are indexed against their peer group until a particular bull is chosen, for example. Jack employs an overall average of three indexes: the average of the weaning weight indexes of all offspring of the dam; a weaning weight index, and a gain index.

“We are trying to end up with a herd of cattle that is solid red and black,” says Jack. “What their genetic makeup is does not matter as long as they produce well and consistently.”

## Roaring Springs Ranch

At the other end of the scale, at least superficially, is the Roaring Springs Ranch, another OCB member. The Southworth ranch is relatively small in size; the Roaring Springs Ranch, located on the flanks of Steens Mountain in southeast Oregon, is large. Its acreage, combined with a nearby ranch, runs over 600,000 acres, making it one of the largest operations in the state. The owners and manager sometimes use a helicopter to get around.

On closer inspection, however, the similarities between the two OCB ranches are more striking than their differences. That’s because both operations aim for the same goal: progressive management in service of human, animal and ecological health. And both achieve this goal through visionary and energetic leadership.

On the Roaring Springs, the leadership is provided by Stacy Davies, a studious former employee of Doc and Connie Hatfield. Davies runs over 4000 head of mother cows on the ranch, providing a large part of OCB’s annual supply of animals. In doing so, he earns a comfortable living for himself and his family, including his wife Elaine and six sons—thus fulfilling Connie Hatfield’s principal criteria for success.



Stacy Davies rides the range in the company's helicopter.

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Stacy calculates that he can wean a calf at a cost of 60 cents per pound, thanks to low inputs, low labor costs, and good grass. He insists that the employees earn decent salaries and enjoy a good quality of life, so mostly he focuses on lowering other costs of production. “If I could, I’d park every machine on the ranch and never start another engine,” he says.

Like Jack Southworth, Davies believes that making the management fit the land increases profit. For example, he doesn’t understand why ranchers stubbornly continue to calve in the winter, though he thinks it historically had something to do with the rise of feedlots.

“For the Roaring Springs, the best use of our natural resources is an April calf,” he says. “This way there aren’t any conflicts with predators, labor costs are lower, and I can still wean a 450-pound calf in the fall.”

Instead of supplementing his calves through the winter, Davies ships them to California for green grass, and then brings them back in May for more grass. This way, he can supply 800-pound feeders to OCB eight months of the year.

He doesn’t object to feedlots because he believes the consumer demands consistency in the meat – something that’s much harder to control with grass-only animals. At the same time, he’s no fan of government incentives. He thinks the market should determine who gets paid and how much, which is why he likes the OCB model. “If it’s truly important to the American people, then they should pay for it directly,” he says.

## Prioritizing conservation

Davies plows a significant portion of the ranch's profits into conservation. He does so for a number of reasons, not the least of which is maintenance of profitability. He calls it a "reinvestment" in the ranch's long-term health. For example, he pays a crew \$50 an acre to clear the abundant juniper trees, which he considers to be "big weeds," on the ranch's private land. His concern over juniper is a familiar story across the West: the suppression of natural fire over the decades has resulted in an explosion of woody vegetation and a diminishment of historic grasslands. The difference on the Roaring Springs is that Davies has the means, and the desire, to act.



A wilderness canyon near the top of Steens Mountains

**Wildlife abounds. Populations of antelope and bighorn sheep dot the ranch, as do herds of wild horses. Sage grouse, a species in peril across the region, flourish on the Roaring Springs.**

bighorn sheep dot the ranch, as do herds of wild horses. Sage grouse, a species in peril across the region, flourish on the Roaring Springs, Davies says. He believes his sage grouse populations are healthier than those on two nearby National Wildlife Refuges. Next year, he plans to hire a full-time wildlife biologist to help him understand better the dynamics at work.

Clearly, Stacy Davies, like Jack Southworth and the Hatfields, enjoys a challenge – even thrives on it – including the challenge of setting high standards and then meeting them. He also likes to set precedents.

A major opportunity to do the latter came his way in the late 1990s when Bruce Babbitt, then Secretary of the Interior, publicly considered creating a National Monument on Steens Mountain. A classic recipe for conflict was set in motion: urban environmentalists wanted the Monument designation to "protect" the mountain, while the local residents wanted to be left alone. "Protected" from what, they wondered?

After a lengthy, and sometimes testy, process of dialogue and wheeling and dealing, a compromise was brokered. No official Monument designation was made, but instead, the upper part of Steens was designated as the first official "cattle-free wilderness" in the nation. At the same time, local ranchers, including the owners of the Roaring Springs, were able to consolidate their private holdings by swapping land with the government. Neither side was completely happy, but it could have been worse.

Stacy Davies was in the thick of the negotiations from the start. Characteristically, he understates the conflict as a "learning experience" – though one that he would prefer not to repeat. "What I learned was this: society needs a goal statement."

That's not a problem for the members of Oregon Country Beef. For them, a goal is just another word for having a dream. And after 19 years of hard work, Doc and Connie's dream, the dream of a sustainable future for ranching – has become a reality. **NF**

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However, in a move that typifies the Roaring Springs, Davies acts in a manner that is at once innovative and frugal. Rather than cut and stack the junipers for eventual burning, Davies has his crew skid the trees into large, circular windrows that act as cattle exclosures for pastures that need rest or recovery. These "fences" cost him just \$1200 a mile to construct, compared to \$4500 per mile for barbed wire. When the exclosures are no longer needed, he lights a fire and burns them up.

The reintroduction of fire, in fact, is a big part of Davies' conservation mission on the Roaring Springs. So is wildlife, which abounds.

Populations of antelope and

Oregon Country Beef  
[www.oregoncountrybeef.com](http://www.oregoncountrybeef.com)

The Food Alliance  
1829 NE Alberta, Suite 5  
Portland, OR 97211  
503-493-1066  
[www.foodalliance.org](http://www.foodalliance.org)

**Courtney White** is co-founder and executive director of the Quivira Coalition. He is a founding board member of the Southwest Grassfed Livestock Alliance, and also serves on the board of Grassbank, Inc.

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