

# Serving the Breed



**Marshall Ernst discusses his time on the AHA and CHB LLC Boards, speculates on the future.**

by Sara Gugelmeyer



Marshall speaks about CHB during the 2010 American Royal.

**M**arshall Ernst knows about beef. He was raised in the Hereford business and worked for more than 30 years in the meat packing industry. He just wrapped up a term on the American Hereford Association (AHA) Board of Directors after serving the last two years as Certified Hereford Beef (CHB) LLC president. He may now be retired from the Board, but his Hereford operation is thriving, and he has no plans to end his commitment to the breed.

Marshall and his wife, Barbara, started their own Hereford herd in 1977 and have continued to improve their genetics ever since.

Marshall stayed busy with his day job as well. He worked in the meat packing industry for decades, moving from Wisconsin to Ohio and eventually settling in Windsor, Colo. He worked for such industry giants as Smithfield Foods, Johnsonville Sausage, Sara Lee Meat Group, ConAgra Beef Co., and Swift and Co. throughout his career, overseeing everything from hog and cattle processing facilities to value-added and further processed product manufacturing. He retired from Swift in 2006 and became a full-time cattleman.

Ernst Herefords truly is a family business. Barbara and their four

kids, Melissa, Stephanie, Katheryn and Kevin, have always been a part of the operation. "Barbara is the glue that holds us all together and is there to help with the cattle, farm work, meals or when one of us just needs Mom," Marshall says. Melissa and Stephanie are now married, but they and their husbands, Jeremy and Chad, help out as much as they can. Katheryn and Kevin are both college students but still play a large role in the operation. Kevin, who is a National Junior Hereford Association (NJHA) director, is especially involved since he is close to home and can help often.

All of the children were or are active in the NJHA. The Ernst family has shown at junior nationals every year but one since 1990.

Ernst Herefords is a purebred seedstock operation, which sells bulls to both registered and commercial cattle operations. "We are currently in a herd building mode but do sell some top-quality show heifer projects to juniors," Marshall explains.

The Ernst family has seen success in the showing. Kevin showed the reserve champion carcass steer at the 2010 Junior National Hereford Expo, marking the fifth time one of the Ernst children has shown either

*continued on page 40...*



Ernst Herefords is truly a family endeavor. Pictured here is Stephanie, Chad, Jeremy, Kevin, Katheryn, Marshall and Barbara. Daughter Melissa is not pictured.

### Q What do we need to work on as a breed?

**A** Demand for Hereford bulls going back on the predominantly black commercial cow herd is as good as I have seen it in my lifetime. As breeders we need to be sure that we are producing the kind of cattle that are in demand by commercial cattlemen and will make them money. We need to be sure and only keep bulls that deliver quality attributes. The combination of low to moderately low birth weights along with cattle that have solid growth and performance are two of the keys. Carcass traits must be right there as well, particularly in regard to marbling.

As an Association, we need to stay abreast of the fast moving and developing science of genomics and be ready to utilize science to keep the Hereford breed in a position of prominence. The AHA staff and Board of Directors spend a lot of time staying up to speed with new research as it becomes available and are in constant contact with genomics companies. Genomics is an area we must continue to be on top of.

Research over the past few years with projects like the Lacey and Circle A crossbreeding programs have given the AHA good data to spread the word about the value of Hereford bulls in crossbreeding programs. The AHA must continue this research. The advertising program using the "Black only Better" theme and several other Hereford heterosis emphasis ads seem to have traction with commercial cattlemen. We need to continue those programs.

### Q What are the biggest challenges you've faced as CHB president?

**A** The largest challenges facing CHB over the past two years are undoubtedly the economic conditions of the country. We have found good interest in our CHB® product, but because the economy has been slow, consumers are buying lower priced proteins, particularly chicken and pork. In addition, when they buy beef, they are buying more of the chuck and round cuts. That causes CHB LLC revenue problems because we generate dollars from the sale of products with middle meats returning us three cents per pound and end meats one to two cents per pound.

The economy also impacts retailers' decisions to change from one program to another, say from a Black Canyon Angus program to CHB. It costs the retailer a lot of money to trade out programs, and at a time when they are struggling to make profit, they are reluctant to change.

### Q Have the goals you set when elected CHB president been accomplished?

**A** My goals were to increase volume and bring CHB at least to a breakeven in revenue. This did not happen. We have

however established some things that I believe position CHB to get to that point in the near future and perhaps in fiscal year 2011.

The first is that we have developed a line of further processed products under the Nuestro Rancho line that is a CHB trademarked label. These products are seasoned and marinated in 10 to 12 oz. packages and have gained significant interest in stores that we had never been able to get any of our products into. The margins on these products are in the 20 to 30 cents per pound range. This line can change our profitability significantly while at the same time help us establish positive relationships with retailers to allow us to introduce CHB whole muscle products in the future.

We are in the process of establishing licensing agreements with several brokers that are doing a very good job of promoting CHB, particularly in the upper Midwest.

There are several presentations to large retailers in the Ohio Valley and, believe it or not, in Puerto Rico happening as I speak.

We have acceptance from a high-level executive in the retail sector to join our CHB board of directors. This will be the first time we have had someone so closely involved in the trade be a member of that board, and we look to gain significant insight and assistance from this gentleman's advice and counsel.

We have made significant changes to the staff at CHB. We are leaner and meaner but loaded with a lot more years of experience than we have had in the past. That is why we are seeing some of the contacts start to develop that were mentioned above.

### Q In the new strategic plan is an objective to grow CHB. What do you think is necessary to make that happen?

**A** I believe that the investment all of us have made as members to this point in CHB has been money well spent. I also believe that it is time that this program starts to pay for itself or at least be more neutral in revenue than it has been.

If we had the financial wherewithal to do it, I would like to see CHB become a separate entity from the AHA. We don't currently have the resources to do that, but if we look at Certified Angus Beef's history, there were several times that the American Angus Association almost shut the program down. Fortunately for them they did not. The program really started clicking when it had a structure in place that was fully focused on beef sales and everyone can see where they are at today.

We have a great product, and doing the hard work in the trenches every day and having the most and best qualified people we can have working for the growth of CHB is what will make the program successful. We will need to add to the board more outside industry leadership, like the gentleman I spoke of earlier, that can provide meaningful industry information and help us with contacts and support. **HW**



Marshall, Barbara and Kevin are all serving as national directors in their respective organizations.



champion or reserve champion carcass steer at the junior national.

The National Western Stock Show (NWSS) is also a very important show for Ernst Herefords. In fact, Marshall was recently named the livestock manager of the NWSS. This winter will be the ninth consecutive year the family has exhibited cattle there. "Denver has become a major marketing event for us because we are only 50 miles north of the stock show grounds," Marshall says. "We have had the opportunity to present our breeding program to both commercial and purebred breeders there with very good results."

Being successful at Denver has helped drive demand for Ernst cattle. "Kevin and Katheryn have each shown a champion female in the junior show on the Hill,"

Marshall explains. "In 2009 we exhibited the champion yearling pen of bulls, and in 2010 we placed reserve in the spring bull pen show behind the overall champion pen in that division. In 2009 we had the high-selling bull and pen in the Western Heritage All-Breed Bull Sale in the Yards."

The cattle operation is a family endeavor and so is serving the breed. Before Marshall's recent retirement from the Board, he, Barbara and Kevin were all directors in their respective organizations. Marshall says, "I grew up with Hereford cattle and love Hereford cattle and honestly, in the livestock industry, I think Hereford people are the nicest ones out there. I just want to give back to the people that have done so much for me since I was a boy." **HW**



Ernst Herefords has had great success at Denver, not only in the showing, but it has also helped drive sales. Pictured bottom left is Marshall and his daughter Melissa. Top right: Ernst Herefords exhibited the reserve champion spring bull calf pen at the 2010 National Western Stock Show.