

# Animal Agriculture: The Door to Opportunity

Zemua Baptista's journey into agriculture begins with a father who farmed in Africa, and winds its way into the world of poultry in Nebraska.

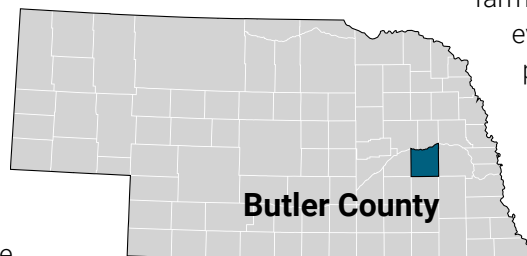
Lukas Fricke is a sixth-generation farmer who has raised pigs in the past, in the present, and will do so in the future.

Matt Hilger is also a sixth-generation farmer, and while he doesn't raise chickens, pigs or cattle, he grows alfalfa, connecting him to the dairy industry.

At first glance, it may appear these three farmers are worlds apart. In reality, their farming operations are mere miles apart, all located in **Butler County** in east-central Nebraska. In addition, all of them are involved in the state's number one industry, agriculture, thanks to poultry, livestock and dairy production.

## Getting Started

It was Paixao Baptista's desire to earn a doctorate in theology that led him to the United States from his father's farm in **Angola**, Africa. Even though he eventually became a minister and college professor, Paixao never lost his passion for agriculture. A passion he handed down to his eldest son, Zemua.



"After he completed his education at SMU (Southern Methodist University), my dad knew he wanted to raise his family in a small

town similar to where he grew up," said Zemua Baptista. "He and my mother started off in Ord where he had a couple of churches, moved to Kearney, then landed in Friend where I have spent almost all of my life."

Zemua and his dad used to drive around the countryside surrounding their southeast Nebraska community just to take in the scenery and stay connected to agriculture.





**Zemua Baptista**



"That's kind of how I fell in love with the whole aspect of agriculture," said Baptista. "My dad never lost his love for farming. I kind of just inherited it as well."

Thanks to several of his dad's parishioners, Baptista was able to find jobs throughout high school working on farms.

It's that on-farm experience that drove Baptista to want to begin his own operation. After being offered a wrestling scholarship at Iowa State University (ISU), the three-time state high school champion saw a great opportunity to receive an education in agriculture.

"When there was a coaching change at ISU, I decided to move back home and transfer to the University of Nebraska to continue my wrestling and college career," he said. "I enrolled at **CASNR** (College of Agricultural Sciences and Natural Resources) and began looking for ways to get into farming."

However, with available farmland being scarce and selling at a high price, Baptista found it was difficult for a beginning farmer with little or no equity to get into row crops or a cow-calf operation.

When a farm manager told Baptista about **Lincoln Premium Poultry** (LPP) seeking producers to raise chickens for a big Costco project in Nebraska, he saw a new pathway into the ag industry.

"My dad also encouraged me to look into poultry because without any real collateral, having a contract was the best way to get into agriculture," said Baptista. "When you can get a contract, a bank is a lot more prone to give you a loan, so that's the route I went."

Baptista had to first find land in a suitable location before he could begin seeking a loan and a contract to raise chickens for LPP and Costco. Eventually he found the perfect 80-acre tract in Butler County.

"My dad was willing to go in as a partner with me, so he purchased 40 acres, and I was able to purchase the other 40 through a **FSA** (Farm Service Agency) program," said Baptista. "Butler County also made it very easy to get a livestock siting permit, so it was on to the next step."

LPP helped connect Baptista to a North Carolina lending institution that specializes in loans for poultry production. With the assurance of

a contract from LPP, he was able to secure a loan for eight poultry barns on his and his dad's newly-purchased land.

Baptista plans to finish his degree at UNL in animal science and live somewhere close to his chicken operation. His ultimate goal is to accumulate enough equity that he can eventually add some farm ground for row crops and pasture for a cow-calf operation.

## It's a Family Tradition

When asked if raising pigs made it easier for him to return to his sixth-generation farm near Ulysses in Butler County, Lukas Fricke was quick to respond.

"Most definitely, because there wouldn't be enough room for me to make a living here otherwise," he said. "My brother, Brenden, takes care of the row crops, and I take care of the pigs," Fricke said smiling.

The two brothers take great satisfaction and pride in the fact their family-owned farm is a fully-integrated operation.

"We own a farrowing barn at one location and bring the feeder pigs



to our finishing barns at two other locations,” said Fricke. “We grow, grind and feed all our own corn. We grow our own soybeans, take them to ADM in Lincoln and then bring back processed meal for feed.”

They also utilize the manure the pigs produce as natural fertilizer on their crop ground. When the pigs are ready to go to market, they haul them directly to the processing plant.

In a world where consumers are asking for transparency in how their food is produced, Fricke has the answer. More on that later.

A recent graduate of the University of Nebraska, Fricke double majored in animal and applied sciences but wasn't sure about the prospect of returning home. However, with his dad getting out of the day-to-day farming activities and the family deciding to expand the pig operation, the timing and opportunity to return presented itself.

“We are going through a major change in the agriculture industry due to the fact that land prices and input costs

are so high that livestock is the easiest way to get into farming,” said Fricke. “Raising pigs was the best way for me to go back home, and it ended up opening another door for me as well.”

“Another door” refers back to transparency and a startup company that Fricke operates from his home computer.

“Being on the farm every day, I saw an opportunity for this new business, **ChorChek**,” said Fricke. “In a nutshell, ChorChek compiles quality assurance information from a farm and puts it into a digital format. Farmers do a great job every single day to produce safe, quality food products in an animal-friendly environment, and we just need to be able to prove it.”

One example Fricke gave is to place sensors in a barn to track the actual number of times a day farmers check on their animals. Other typically used quality assurance checks are also tracked.

Fricke's ChorChek presentation at the **Lincoln Power and Farm Show Quick Pitch Competition** showed enough

potential to earn him a \$20,000 first prize in the ag tech category. He credits the **Engler Agribusiness Entrepreneurship Program** he participated in at UNL for giving him the experience and confidence to begin his enterprise.

Fricke commented that Butler County wasn't always receptive to animal agriculture, but that began to change when residents realized the benefits the industry can bring to the local economy.

“I think it's important we keep investing in livestock and the young people who raise them,” said Fricke. “We pay a decent amount of taxes, and we're going to contribute and be involved in our communities because we are here every single day.”

## Home is Where the Heart is

Matt Hilger has farmed all his life, but he has never raised livestock, and has rarely been in a combine. He also doesn't milk cows, but the dairy industry has been a perfect match for Hilger and his family's alfalfa farm located just north of David City in Butler County.



Lukas Fricke



“My dad never much liked working livestock so when he and his brother took over the family operation, that part of it went away,” said Hilger. “They grew row crops for a while, but when grain prices went in the tank in the ‘80s, my dad took advantage of an alternative crop USDA program called **PIK** (Payment-in-Kind).”

Matt's dad, Bob, began farming on his own and made a big switch in 1983 when he began planting some 600 acres into alfalfa.

A young and self-described scrawny Matt quickly learned the joys of throwing small square bales.

"For a handful of years, when I wasn't quite a teenager, we were putting up tens of thousands of 120-pound square bales," said Hilger. "Most of my dad's best customers early on were owners of small mom-and-pop dairies in Kansas, so all our crop production was hauled out by truck."

The elder Hilger would also look for marketing opportunities in drought-stricken areas. The market really opened up when he switched to large, four-by-four square bales.

"We had some regular dairy customers in parts of Wisconsin, Minnesota and Iowa, but we always had extra hay to sell each year," said Matt. "My dad spent a lot of time on the phone trying to sell the surplus. Some years were tougher than others."

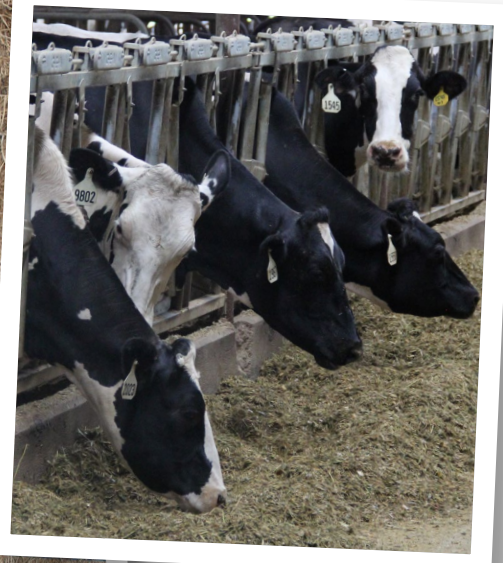
All that time and effort marketing hay, along with the labor and transportation costs associated with shipping their crop out of state, made it a challenge at times for the Hilgers.

Matt went off to college at Nebraska Wesleyan University in Lincoln to study criminal psychology, and was deciding whether he really wanted to go back to the farm. However, love stepped into the picture in the early '90s, and he and his soon-to-be wife started talking about the best place to raise a family.

"We knew that if I got a job in criminal justice it wasn't going to be in a small rural town where both of us felt was the best place to raise a family," said Hilger. "We also liked the idea of her being a stay-at-home mom. I finally realized...you know farming ain't that bad."



**Matt Hilger**



When the young Hilgers moved back to the farm in 1994, Matt realized the hurdles his dad had faced in marketing and transporting the alfalfa crop still existed. Then, in the late '90s, fate took a positive turn when a man name Todd Tuls decided to build a large dairy in Butler County.

"My dad met up with Todd early on and we eventually started putting haylage up for him, just prior to him getting the dairy going in 2000."

The **Double Dutch Dairy**, just south of Shelby, opened up a completely new opportunity for the Hilgers. Now they were able to market all their hay production to one customer, sharply reducing their marketing and transportation costs, along with gaining some peace of mind.

"I probably would have stayed on the farm even if the dairy hadn't been built, but having it here has certainly helped me keep a strong positive attitude," said Hilger. "I saw what my dad went

through. There were years he couldn't sell all our hay, no matter how many calls he made."

Now, it's a win-win for both Tuls and Hilger. As Matt puts it, "he needs the hay and we put up a good product for him."

A second Tuls dairy (Tuls Dairy Butler County LLC) is now operating just north of Surprise bringing the total number of cows estimated for the two operations at 10,000. The dairies not only help keep Hilgers' alfalfa operation going strong, they have a positive economic ripple effect for all of Butler and its adjoining counties.

Row crop farmers, grain elevators, seed companies, retail businesses and many more have benefited directly or indirectly from the expansion of animal agriculture in the Butler County region. They also are benefiting from having community-oriented families like the Baptistas, Fricks and Hilgers living in the area.