



Match Made in Heaven Case Study #7 Gregg Spegal Fairland, IN

Photo Credit: Spegal Family Farm's Facebook

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The Match Made in Heaven project seeks to understand the state of the art of livestock and crop integration on farms in the Upper Mississippi River Basin. This is one of six profiles of farmers who have honed their craft and successfully built livestock and crop integration systems on their farms. We hope you enjoy getting to know them!

Key Points:

- From serving his country to serving people food, Gregg Spegal transitioned from a 30-year military career to come home to his family's farm, take over the beef cattle operation, and add a meat market business and small restaurant.
- Gregg has used trusted advisors to provide input and guidance as he integrated cover crops and grazing his beef cattle onto the cropping portion of the farm; as well as using USDA-NRCS EQIP money to build fencing infrastructure.
- Cows and calves, growing cattle and bred heifers utilize pasture 9 months of the year, reducing housing and feeding costs for the operation.

Gregg Spegal returned home to central Indiana after a 30-year military career. The home farm consists of 360 acres of productive farmland. Currently Gregg and his brother each rent 180 acres from their father. His brother raises cash crops, but Gregg operates a grazing beef cow/calf to finishing operation with 40 cow/calf pairs. Gregg has 147 acres of cropland and 33 acres of permanent pasture. On the cropland, Gregg rotates between winter wheat, cover crops and hay, roughly 50 acres of each. Wheat and a small amount of hay are his cash crops; cover crops are planted for grazing. Annually, Gregg plants 50 acres of winter wheat followed by cover crops for fall grazing, 50 acres dedicated to cover crops including 5 acres of triticale planted for spring grazing, both rotated with 47 acres of hay. The permanent pastures are in low areas with streams running through them. Trees growing on the pasture acres provide shade for cattle in the heat of summer days.



Photo Credit: Spegal Family Farm's Facebook

Gregg pays the going rate of land rent on the tillable acres: \$329/acre. The permanent pasture acres are rented for the cost of property taxes. Seed cost per year for the annuals, both summer and winter, totals \$5,700.



Photo Credit: *Spegal Family Farm's Facebook*

Most of Gregg's hay crop is fed to his cattle. He sells some small square bales of hay and straw for about \$8,000 per year. Winter wheat is sold. His wheat and cover crop system gives Gregg flexibility to use pasture, hay ground, and cover cropped acres for grazing. He has cattle on pasture for about 225 days per year. Cover cropped acres provide a seasonal advantage of a clean calving area in the spring.

Greg uses a combination of permanent pasture fence, semi-permanent perimeter high tensile fence and temporary cross fencing to manage his grazing system. The high tensile perimeter fencing spaced at planned paddock sizes allows for efficient installation of temporary cross-fencing to accommodate 1 to 3 days of grazing per paddock for the beef cow/calf herd. Stocking density is around 55,000 lbs./acre; or about an acre per day for the herd.

The pasture had fences already and stream water access, but there are maintenance costs. The hay ground required an investment in fencing and water infrastructure for grazing. With this amount of land available for grazing in a managed rotation, the total cost is under \$25,000.00 for the feed supply for 225 days/year. At the end of the grazing season, the calves go into the feedlot. Dry cows are fed hay for the remaining 4 to 5 months each year.

The animals in the feedlot average 20-25 lbs. of dry matter intake per day. Gregg buys corn fines from a neighbor with a corn drying operation and includes those in his feedlot ration, which keeps his costs relatively low. At a cost of about \$335 in purchased feed per fed animal, plus minimal veterinary and other direct costs, Gregg's net income over direct costs per feedlot animal was nearly \$2,300 in 2022. Greg plans for 30 acres of land to receive the feedlot manure each year. The grazed acres also receive manure from the grazing animals, with an estimated fertilizer value per year of about \$5,300.

Total gross livestock income and benefits per year is about \$110,000. This includes the sale of fed cattle, cull cows, and breeding stock plus the manure benefit. Gregg keeps his machinery investment low at \$43,000 by buying and maintaining used equipment including a pickup, tractor and mower, and grain drill. Using a 7-year schedule of depreciation on equipment, his overall crop and hay production costs are about \$70,000 per year. Crop income is reduced by around \$30,000 to account for the fact that some of the harvested crops are fed to livestock instead of sold. The profit from livestock is more than enough to overcome the loss in the crop's column.

Gregg has some advantages in his situation. He came back to the family farm with existing buildings to house his feedlot animals and for over-wintering the cow herd. These older yet functional buildings allow him to avoid taking on debt to build infrastructure.

Gregg's wife manages their retail meat business, which includes a small restaurant. The meat business is integrated with the farm as a dedicated buyer of the fed cattle. This relationship allows both businesses to benefit: the meat business

has a supply of beef animals of known quality, and the farm has a dedicated buyer for the fed cattle. On both sides of the transaction, the farm and the meat business benefit from having a stable price for cattle.

Closing thoughts:

The Spegal family has succeeded in developing a profitable integrated crop and livestock farm through a mix of strategies that build on existing assets and the strengths of family members:

- Growing crops that are well suited to the land
- Maximizing grazing on untillable land
- Selling a cash crop and purchasing less-expensive feedstuffs
- Vertically integrating an entire beef supply chain from cow/calf herd to finishing beef animals to butcher shop and restaurant



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