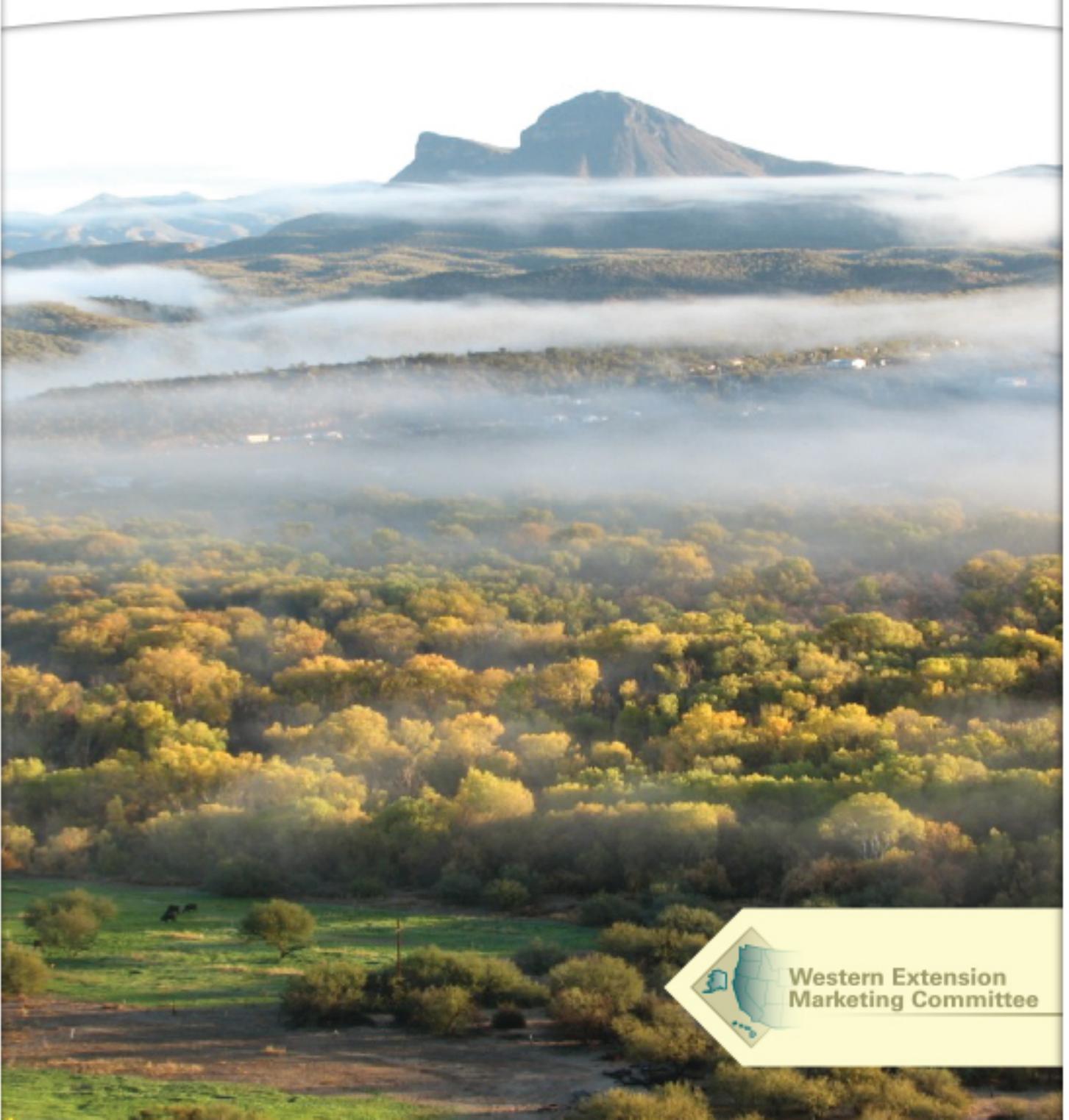


WESTERN FARM AND RANCH TRANSITION STRATEGIES



Western Farm & Ranch Transition Strategies

Western Extension Marketing Committee Contributing Authors

Kynda Curtis, Utah State University
Cole Ehmke, University of Wyoming
Bridger Feuz, University of Wyoming
Karina Gallardo, Washington State University
Wilson Gray, University of Idaho
Russell Tronstad, University of Arizona

Outside Contributing Authors

Susan Slocum, George Mason University
Norman Dalsted, Colorado State University

Project Directors

Kynda Curtis, Managing Editor, Utah State University
Ruby Ward, Utah State University

Technical Editor, Layout, and Design

Amy Bekkerman, Precision Edits

Cover Design

Brady Hackmeister, Utah State University
Front Cover Photo Credit - Paul Schwennesen

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Guild Ranch

Bridger Feuz, Extension Educator and Livestock Marketing Specialist,
University of Wyoming

The Guild Ranch was established nearly a century and a half ago when Charles Guild emigrated from England to Piedmont, Wyoming, in 1867. Charles ran the local Pony Express Station for a year and then opened a store in Piedmont, which was originally a contracted railroad camp and later grew into a refueling station for the helper engines. Charcoal kilns were erected near Piedmont to produce charcoal for local smelters and restaurants. Piedmont is now a ghost town that sits within the boundaries of the Guild Ranch.

While Charles Guild was running the store in Piedmont, he began purchasing homesteads in



the area and put together the Guild Ranch. The ranch is primarily a cow/calf yearling operation that supports 600 mother cows. All calves are retained and sold as yearlings. Earl Guild and his wife, Jody, represent the fourth generation to own and operate the ranch, and their son, Kelly, and his wife, Dixie, are the fifth generation. The sixth generation is just beginning to integrate themselves into the operation.

The Cattle Enterprise

Like many other Wyoming ranches, the Guild Ranch originally raised Hereford cattle. The ranch now comprises Hereford, Angus, and Limousin genetics, with a primary cross of Limousin and Angus. The crossbreeding program has resulted in significant gains in yearling weights—from 600 to 1,000 pounds—during Earl’s tenure on the ranch. Consistency has been a key asset for the Guild Ranch in the cattle business. In order to assure consistent improvement, the Guilds raise all of their own replacement heifers. This emphasis on consistency and constant improvement has paid off for the ranch in the form of a satisfied cattle buyer: the ranch has now had the same buyer for their yearlings for over fifty years, and the buyer’s son now buys Guild Ranch cattle as well.

Bringing in a Son

Several years ago, Earl and his brother were joint owners of the ranch, and Earl's son, Kelly, was just finishing up his second year at Dixie College. Kelly played football at Dixie and had offers to continue his college career at several four-year universities. While wrestling with the school decision, his uncle contacted him to let him know he was ready to move on from the ranch. Kelly decided the timing was right and returned to the ranch to stay. His uncle sold fifty percent of his shares to Kelly and fifty percent of his shares to Earl, making Kelly a twenty-five percent partner. Earl's other three children—Wendy, Adam, and Doug—do not own ranch assets. The Guilds attribute their ability to keep the ranch in the family after multiple generations to limiting the number of direct owners, which enhances the ranch's sustainability.

Transferring Management

The Guilds have used a proactive ownership strategy to transfer ranch assets from Earl to his son. Kelly's purchase of twenty-five percent of the ranch gave him a significant stake in the operation. The sale required some creative financing, but family ownership was and is more important to the Guilds than cash. Unlike many traditional operations, in which ownership is transferred only through inheritance, this early ownership transfer allowed Kelly to be a decision maker on the ranch. Even though he was a minority partner, he had enough shares that management decisions became a true team effort. And those decisions directly affect his financial success, making it necessary for him to understand the direction his father takes. Earl has continued to transfer more of his share of the ranch to Kelly as an estate management tool, and Kelly is now the majority owner.

In order to teach Kelly the necessary management skills and capabilities, Earl allowed him to make mistakes. Kelly and Earl discussed most decisions and Earl shared his knowledge and



experience with Kelly, but he often allowed Kelly to make final decisions on operational issues, even when he knew that those decisions had a high likelihood for limited success or even failure. Kelly was able to learn from his mistakes and become a better manager and partner to Earl. This simple strategy has been extremely effective. While it is always difficult as a more experienced manager to allow others to make

decisions you know are likely to fail, it is even more difficult not to say, “I told you so” afterward. Kelly credits Earl with providing guidance and having patience as Kelly built his management skills. Kelly realizes how difficult this task is now that his own sons are showing interest in the ranch.

Earl’s trust in Kelly has paid off. Kelly has made several decisions that have significantly increased the ranch’s productivity and sustainability. For example, about twenty years ago Kelly stood at the top of a bench pasture and wondered what would happen if he could get water to it. The ranch had two reservoirs about ten miles away at a higher elevation than the pasture. As Kelly considered the options, he envisioned a pivot operating with gravity-powered flow from the reservoir. Kelly contacted a University of Wyoming engineering expert and together they developed a system that carried water for seven miles down a ditch and through a pipeline for three more miles. Kelly also worked with a University of Wyoming crop specialist to understand how to manage an alfalfa stand for production and sustainability. As a result, the Guilds produce 3.5–4 tons per acre on 220 acres irrigated by a highly efficient gravity-fed center pivot. The acreage now accounts for fifty to sixty percent of their total hay production.

Enterprises for Other Family Members

Although they do not own any part of the ranch directly, two of Kelly’s three siblings have developed enterprises that make use of their own skills and talents in combination with the ranch’s resources. Adam operates a hunting and fishing business, and Wendy manages a pioneer trek experience.

Fishing and Hunting Enterprises

The Guild Ranch’s main reservoir is integral to ranch irrigation, but it also serves as a fishing resource. The reservoir was originally stocked with fish for family use, but the Guilds quickly discovered that the reservoir could sustain large fish.

Dan Peterson, an in-law, enrolled in the Farm Management Program at Ricks College, and one of his classes required him to complete an agricultural project business plan. Dan chose to explore a fishing enterprise based at the 200 fishable acres of the river- and spring-fed Guild reservoir. The enterprise looked promising enough that Dan and Adam worked together to develop the business, and they began offering paying customers the opportunity to fly fish for giant Browns, Rainbows, Cutbows, Tigers, and Brookies. Dan later moved on, but Adam still operates the fishing operation.

Adam is passionate about hunting and fishing. Using the knowledge and experience he gained hunting on the ranch, he also began a hunting business on the ranch, which has excellent hunting opportunities for antelope, mule deer, and elk. Adam initially operated the hunting business himself, but his primary career teaching art and helping coach the wrestling team at Star

Valley High School made it difficult to dedicate the time needed to make the business successful, so he leased the hunting rights to a local outfitter.

Pioneer Trek Enterprise

Twenty years before Piedmont was established and Charles Guild founded his ranch, Mormon pioneers heading west took a trail that passed through what would eventually become the Guild Ranch. Significant points of interest along the trail as it passed through the ranch include Gravel Hill, Muddy Camp and Crossing, Williams Hollow, and Dibble Rock. Many people were interested in celebrating the



sesquicentennial of the pioneer trails in 1997 by reliving the pioneer trail experience.

Congregations from the Church of Jesus Christ of Latter Day Saints (commonly known as Mormons) organized church-sponsored outings along the trail, which gave church members an opportunity to better understand the trials faced by their predecessors. Several congregations choose a portion of the trail that passed through the ranch. Seeing an opportunity, Earl's wife, Jody, and daughter, Wendy, catered dinners for the participants. The Guild family provided Dutch oven dinners and shared area history with groups passing along the trail. The idea was not originally intended as a money-making venture but as a way to share the family's knowledge and experiences with the trail participants, but the seed of a business was there.

Later, a separate group approached the Guilds with the idea of leasing the rights to their property for handcart treks. The Guilds felt they had more to offer than simple access to the pioneer trail and that a simple lease would not suffice; instead, they formed a partnership. Wendy Guild Peterson now manages Pioneer Trail Handcart Treks, which was founded in 2009. The treks serve an average of 4,000 trekkers per year. Wendy manages the bookings and reservations and provides a fireside program for trail participants. She shares experiences as well as history and pioneer stories from her ancestors, who settled the area in 1866. Wendy and her husband, Doug, live on the ranch, making it convenient for managing trekkers' daily needs.

Concluding Thoughts

One of the Guild family's main goals for the ranch is for it to remain a sustainable ranching enterprise within the family for generations to come. With this goal in mind, direct ownership of the ranch has been limited so as not to dilute the ranch income derived from the cattle enterprise. However, the Guilds also recognize the benefits of using ranch resources and the value of involving family as a part of the ranch without direct ownership. With this combined approach, the Guilds are confident that the ranch will remain viable and within the family for many years and many generations yet to come.



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