



# Cultivating Progress

A SEMI-ANNUAL NEWSLETTER DEDICATED TO KEEPING OUR PARTNERS UPDATED ON OUR FARM'S GROWTH.

## Dry Conditions with A Halloween Scare

*Smooth Sailing for 2023 Harvest with a Late October False Alarm*

Drought conditions throughout the 2023 growing season persisted into the fall harvest season. Yields that hovered around average and broke records for sugarbeets surprised most farmers in our area as many were left asking, "Where did these crops come up with enough moisture?" Our main farm received a total of three inches of rain over the entire growing season, but the crops did very well considering.



Sugar beet piler working into the night.

The harvest moved along steadily with good conditions. A rain and cold event near the end of beet harvest made the last 120 acres difficult, but otherwise the other crops were able to be harvested without issue.

### Sugarbeets

The outlook is positive from the processing side as Southern Minnesota Beet Sugar Cooperative, where we deliver all of our beets, is having a record-setting campaign. Our farm and the cooperative as a whole harvested its largest beet crop in our respective histories. Our sugar yield was 9,760 lbs/acre. The cooperative elected to harvest all of the beets, so there was nothing bypassed. Due to reliability issues with the Agrifac self-propelled harvester, we elected to purchase a new Ropa harvester for the 2023 campaign and it performed very well. We continue to use a cart along with the self-propelled harvester to keep trucks out of the field to reduce compaction and wear and tear on trucks. We increased our beet acreage this year to over 1,500 acres and, when coupled with another 170 of custom acres for a local dairy, totaled 1,770 acres harvested. For portions of the harvest, we utilized both harvesters to get the job done.

We were very excited to see sugar percentages over 15% during prepile and expected to see more fields in the 18% area during main harvest. But several inches of rain fell during the harvest period and it seemed to flatten the normal sugar accumulation curve as the water-starved beets soaked up the moisture. It was no surprise that this diluted the sugar percentage in the plant.

Despite a warm December, the beet storage piles continue to hold on. Much of this can be attributed to the quality of crop we harvested as it had large, clean beets with no freeze damage.

This was a “comeback” year of sorts for beet growers in SMSBC as we should see solid profit if the processing campaign finishes out without incident. It is a redeeming time for those that weathered the financial storms of 2018 and 2019, and we should see share values recovering as grower interest in raising the crop returns and competing crops such as corn and soybeans see falling market prices.



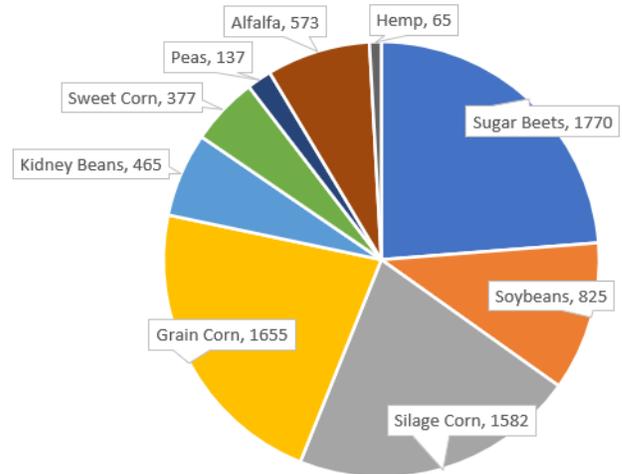
Soybean field nearly ready for harvest.

**Soybeans**

Maintaining a theme, we saw some solid soybean yields this year despite abundant rain. Our yields averaged 53 bushel/acre on 825 acres. The crop did not mature as it normally would—the drought stress seemed to delay maturity, and then some September rains rejuvenated the plants leading to a later harvest. We started on October 10 and completed harvest on November 10. We have held to a rule of thumb on our farm that all soybeans should be harvested by October 31 as we recall the Halloween blizzard of 1991. This year, a few inches of snow fell on October 30, and delayed harvest of about 160 acres of beans we still had in the field at the time.

The snow eventually cleared and good November conditions allowed us to finish before any more winter weather. (As it turned out, we could have waited until Christmas!)

Our soybeans were delivered to Glacial Plains Cooperative in Murdock, Farmers Co-op Elevator in Raymond, and Clara City, and stored on-farm awaiting processing with B&R Seed of Atwater. The seed beans receive a premium of an extra 10%-15% for quality and just-in-time delivery.



Pie chart displaying crop and acre values.

**Silage Corn**

1,582 acres of silage were chopped at Hultgren Farms in 2023. While the yield of 23 tons/acre was below average, we had a hard time complaining as the lack of precipitation and short stature of much of the corn had our expectations set quite low. All of our silage was chopped by CY Harvesting, a partnership we are minority owners in. It was hauled to Meadow Star Dairy, where we are also partners. CY harvests about 4,500-5,000 acres of silage for Meadow Star every year, so our farm supplies about a third of the feed. We work with several of our closest neighbors to procure the rest of the dairy’s needs. We did see some wind and corn borer damage this year, and it put a dent in the yields on several fields. No doubt, the drought compromised the stalks and limited the corn’s ability to recover from the wind and insect damage. CY Harvesting’s silage choppers had to fight through some lodged corn fields this year to complete the harvest. But all in all, the dry conditions were welcome and led to a swift and efficient silage harvest.

**Grain Corn**

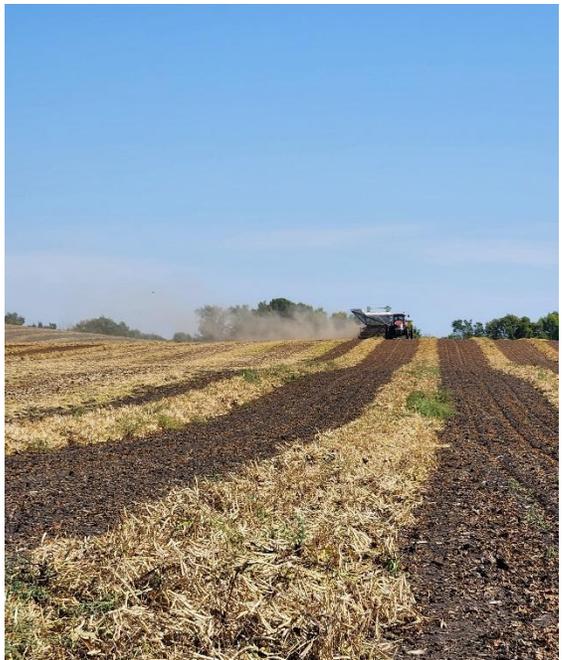
We had 1,655 acres of corn remaining for grain harvest and saw a nice yield of 196 bushel/acre, which is just under our 5-year farm average of 199. Moistures were once again in the 19% area with good test weights, and the corn flowed through the dryer efficiently. We thought we wouldn't have to dry much of the corn due to the hot, dry growing season but we think that, much like the soybeans, the drought-injured corn plateaued its maturity and held on to moisture when September rains fell.

We started combining corn on October 17 and concluded on November 10.

About a quarter million bushels were stored at our farm and will be delivered to Meadow Star dairy at the rate of about 5,000 bushels per week every week of the year. The overage was delivered to Glacial Plains Coop of Murdock and Farmers Coop Elevator of Clara City. Our farm added a new wet corn receiving system this year, including a new dump pit, grain pump, and holding bin. This gives us the capability to dump trucks basically as fast as we can dump them or up to nine truckloads an hour. At this point, with one combine, we only harvest at two to three truckloads per hour so there is plenty of room for growth. Our next bottleneck becomes the grain dryer and dry corn handling side which will need capacity upgrades in the coming years.



View of the new dump auger and wet holding bin. A great improvement for our system.



Windrows of dark red kidney beans waiting for the combine coming down the field.

### Kidney Beans

We reduced our kidney bean acres this year as processors were not offering contracts at prices that we felt were competitive with other crops. With the cost of production increasing by double-digit percentages each year, buyers cannot stand still and offer a competitive price. 465 acres of dark reds were grown, all under irrigation. Harvest went well and we saw average yields with average quality. The moisture was wide-ranging as it was very dry for much of the harvest (which can lead to some seed coat damage when in the 15% range) but was impacted by a rain event midway through that shot moistures up to over 20%.

Yield averaged 2,268, compared to a 5-year average of 2,152. Harvest started on September 8. A rain delay pushed our last load harvested back to October 3, but the balance of the crop was complete by September 29.

There is some question surrounding the future of kidney beans in our crop rotation. Unless buyers are willing to pay the farmer for the extra labor, specialty equipment, and risk compared to other crops there will not be a push to add acres in the years ahead.

Our kidney bean customers are Chippewa Valley Bean of Menomonie, Wisconsin and Bonanza Bean of Morris, Minnesota.

### Sweet Corn

We raised the most sweet corn we have ever raised since 2008. On 377 acres, we averaged 6.2 tons/acre. 137 acres were double-cropped behind peas on irrigation. The other 240 were raised on heavier soil near DeGraff but got very little rain so we were happy with the outcome considering the weather. All in all, an average sweet corn crop (our 5-year average is 6.1 tons/acre).

We contract all of our sweet corn crop with Lakeside Foods of Brooten. The vegetable company harvests our sweet corn with their own crew since they have to feed the factory at a rate that they can fresh-cut and freeze or can the corn. This crew includes the corn pickers, dump carts, and owner-operator truck fleet.

### Green Peas

We also do fresh green peas for Lakeside Foods. For the second year in a row, the peas were grown ahead of a sweet corn crop under irrigation to provide a double-cropping opportunity. We saw a yield of 3,613 lbs/acre—considerably better than our average of 2,883. There is also a quality premium applied to these fresh peas related to the tenderness of the pea at harvest. The more succulent the pea, the higher the premium. So it can be a challenge to achieve a soft pea in drought conditions. Often, if irrigation is available, farmers will water the peas right up until the day of harvest to try to keep them fresh and stop any excessive drying. Since peas are harvested in June, there is no lack of sun and wind to dry them out while they're being harvested.

### Alfalfa

The 2023 alfalfa crop was a mixed bag—while drought and insect pressure took a bite out of at least one cutting, we were still surprised to achieve a yield that was over our 5-year average at 5.3 tons/acre on chopped haylage. About a third of our acres were a 5-year-old stand, which is old by today's alfalfa standards. This older stand would be most affected by dry conditions as its roots and plant density are the poorest in our portfolio. We especially saw this in the third cutting (July) this year.

CY Harvesting chops four batches of haylage for Meadow Star Dairy. Like the silage corn, we supply roughly one third of the dairy's haylage needs and the rest is in cooperation with local farmers.

We also round bale dry hay on about 130 acres around our Belgrade property. This is used to maintain our beef

herd over the winter months. We also sell some of this production to private hay markets.

### Hemp

65 acres of industrial hemp were grown in a pilot project in cooperation with a Dutch company that is considering the construction of a processing facility in our area. Since we had grown hemp in the past (for seed), it was not a risky undertaking for us to contract with this company to raise the plant for fiber. We yielded about 3.5 tons/acre in round bales. This was a fixed-fee contract so essentially, we were paid to grow the crop and they were responsible for harvest and the crop's fate at the processing stage.

The hemp was seeded on May 17. We got a shot of rain just in time to germinate the shallow-seeded crop.



Hemp growing in the field – reaching heights greater than 7 ft.

In the warm late-spring temperatures, the hemp gets up and growing rapidly. Once it reaches about 12" tall, it needs very little care as it shades out all weed competition and is generally a robust plant system when it comes to insect and disease threats.

The company we worked with supplied a cutter, and they cut the hemp down starting on September 7. The cutter lays the hemp in a row, where it is allowed to ret (a sort of controlled decay that causes separation of the fibrous

outer stalk from the inner hurd—a woody material. After several weeks and some windrow inverting to assure even drying, the hemp was round-baled on October 19.

We participated in this arrangement with the hope that we would see a processing plant materialize here. We feel it would be a great addition to the local value-added scene, with another local-use crop to add to our rotation that requires very little labor during the growing season and no pesticides. Hemp has also been touted as having reparative soil health characteristics, much like alfalfa, and we would welcome this opportunity to our lineup if a reliable market came to fruition.

### **Beef Cow-Calf**

We continue to grow our retail beef segment. Half of our marketings in 2023 were via the retail channel. This would be farmers markets, online sales, and subscription-oriented quarters/halves/wholes. 34 head were moved with a premium of \$1/lb compared to the 34 head sold via commercial markets.

Processing costs continue to rise, and the challenge to net above breakeven continues even with a healthy premium. We have some terrific customers who are willing to pay the premium for quality and the peace of mind that they know the source.

The beef world is a bittersweet challenge, and this is not limited to our small herd. The markets are strong, but are unable to keep up with the skyrocketing price of stall spaces. From the feed cost, to the labor and overhead, to the processing, to the packaging, to the transportation, beef is a high-input commodity that has suffered probably more than any other ag commodity in the last five years. While we are proud to supply a much-needed, high-demand protein source, we cannot do it at a net loss and we will need to evolve our operations to continue this segment of our business (similar to the aforementioned kidney bean commentary).

A special thanks to all of our harvest team members—both full-time, year-round and part-time, seasonal. We couldn't do this giant undertaking without you! We are especially thankful that all of this activity was done without any injuries—thank you for being safe! We look forward to working together for many years to come!

## **Frosty Memories**

*By: Duane Hultgren*

Waking up on my 71<sup>st</sup> birthday I discovered a beautiful rim frost. It reminded me of several fond memories.

When we were young, we thought about our future years, and when we are old we reminisce about our years past.

This led me to reminisce about back when I was a kid and my dad and I would be doing morning chores. On days with a rim frost, he would often comment on how his mom, my Grandma Hultgren, loved that rim frost beauty and said that God could paint the most beautiful pictures. My dad loved and missed his sweet, soft-spoken mother. She did not get to count many birthdays.

One interesting rim frost activity was by my Aunt Pearl Hauser (Dad's sister) who always marked rim frosts on her calendar because she claimed rain events always followed rim frosts 6 months later. This has never been proven or disproven by me, but she was adamant.



Frosty morning at the farm covered the trees with beautiful frost.

# Home Sweet Home

By: Lily Hultgren

Being away at college has taught me the value of togetherness on a different level than what I knew before. I have always been a homebody (I'm sure my parents can attest to this—enter 8-year-old me crying my eyes out as my mom left me at summer camp for barely a week), but I never realized how much I took my time at home with my loved ones for granted before I moved four hours away and seeing my family became a once a month type of occasion. Getting to come home for nearly a month for winter break over the holiday season was one of the greatest things to happen in 2023 (right up there with going to Costa Rica and my senior prom). I spent my time going to all of the MACCRAY boys and girls basketball games that I could, doing work for the farm, catching up with my best friends, enjoying home cooked food, and overall, spending every minute I could with my family. I am so blessed to call the farm home and to have the parents and siblings that I do. Spending the holidays with my immediate and extended family were some of the most fulfilling days of 2023, hands down. Whether it's just me and my mom going to run errands in town, the whole family watching a show together every night, or the big Hultgren Christmas at Grandma and Grandpa's house, I get a feeling of total comfort and connection that never fails to make me the happiest. I made sure not to waste a minute of my time at home, and while coming back to school in Duluth wasn't easy, I know that I can rest assured every night that there's always a place for me at home to be together with my favorite people. Thanks Mom and Dad!



Hultgren girls at Christmas time:  
Hannah, Lily, Nora, Ella, Sam & Ruby.

# Real Relationships

Every year when we reset for another crop season, we take some time to appreciate those that keep our business moving, safely and successfully. We take great pride in the relationship we have with our landlords, hoping to forge long-term agreements that are a win-win. A special thanks to our employees as there were some extra long days due to the growing pains of expanding our business while our staff numbers were not growing at the same pace. Our full-time crew:

Blake Klaphake  
Ben Lundebreck  
Reno Williams  
Dan Youngkrantz

Thanks to all of our families for their understanding of the special requirements of the farming world—we couldn't do it without your support.

A big thank you to our beef customers—whether we meet with you at farmers' markets, sell to you via our online platform, or in person, from those that have purchased a couple cuts to halves and wholes in the past year, we appreciate you.

I also want to make sure we recognize the seasonal help that come on for a couple months each year to pick rocks, do tillage, operate harvesting equipment, work with the CY Harvesting crew, or drive trucks. You are all a big part of our success and it's a pleasure working with you. Our seasonal crew:

Josh Larson	Samantha Hultgren
Butch Fest	Hannah Hultgren
Lewey Cole	Luke Pieper
Ken Hanson	Harland Asche
Luis Cornejo	Kent Bouman
Isaac Flores	Flo Miclea
Eli Guardola	Jake Lindquist
Elias Hultgren	Kent Rusten
Lily Hultgren	Nick Schneider
Ruby Hultgren	Evan Peterson
Oliver Hultgren	Bob Meath
Nora Hultgren	Don Hauptli

Even though we pay for their services, we have several suppliers that are our go-to as experts in their field. Sometimes in the "need-it-now" work environment we're in, it's easy to complain when service delivery is below our expectations. But we don't do a very good job of showing our appreciation when people get things right on a consistent basis. The reliability and integrity they have

shown over the years is what keeps us coming back, much more than the price.

I want to thank the following for going the extra mile for our business:

Kevin Trapp, *Central Counties Cooperative*

Jeremy Ruf, *Dooley's Petroleum*

Joe Leenstra, *Joe's Auto Repair*

Nate Scharmer, *Arnolds of Willmar*

Jason Fussy, *Centrol Crop Consulting*

Troy Stevens, *Bremer Insurance*

Mike Bakker, *Citizens Alliance Bank*

Scott Newberg, *Farm Service Agency*

Linda Gravley, *Johnson, Moody, Schmidt & Kleinhuizen*

Jeff Rislov, *CDS*

Craig Blom, *Clara City Farmers Elevator*

Alex Everson, *Ace Ag*

Cindy Brown, *Chippewa Valley Bean*

# Thank You!

## Beef Tortilla Soup



### Ingredients:

- 1 beef [Brisket Flat Half](#) (2-1/2 to 3 1/2 pounds)
- 1 tablespoon olive oil
- 2 cups chopped onions
- 2 tablespoons ground cumin
- 2 tablespoons minced garlic
- 3 cans (14 to 14.5 ounces) unsalted beef broth
- 1 jar (16 ounces) Herdez® Casera Salsa
- 1 can (14.5 ounces) no-salt-added diced tomatoes
- 2 cups frozen corn
- 2 tablespoons hot pepper sauce
- 1/4 cup chopped fresh cilantro leaves
- Crunchy Tortilla Strips

### Garnish:

- 16 springs fresh cilantro
- 1 ripe avocado, thinly sliced.
- 1/2 cup finely shredded reduced-fat Cheddar cheese

### Cooking:

1. Heat oil in stockpot over medium heat until hot. Place beef Brisket in stockpot; brown evenly. Remove brisket from stockpot; season with salt and pepper, as desired. Add onions, cumin and garlic to stock pot; cook and stir 3 to 5 minutes or until onions are crisp-tender. Return brisket, fat-side up, to stockpot. Add broth, Herdez® Casera Salsa and tomatoes; bring to a boil. Reduce heat; cover tightly and simmer 2-1/2 to 3 hours or until brisket is fork tender.
2. To prepare the Crunchy Tortilla Strips, cut 2 corn tortillas in half, then crosswise into 1/4-inch-wide strips. Place strips in single layer on baking sheet. Spray tortillas strips lightly with nonstick cooking spray. Bake 4 to 8 minutes at 400°F or until crisp. Set aside to cool.
3. Remove the brisket. Skim fat from cooking liquid. Trim fat from brisket. Cut into 4 to 6 pieces; shred with 2 forks. Return beef to stockpot. Add corn and pepper sauce; cook 20 to 25 minutes. Stir in chopped cilantro. Season with salt and pepper, if desired.
4. Ladle soup into bowls. Garnish each serving with tortilla strips, cilantro sprigs, avocado and cheese, as desired.

## Contact Us!

Our offices are 5 miles west of Willmar on MN 40.

11804 15<sup>th</sup> Ave SW

Raymond, MN 56282

Order our farm-fresh, pasture-raised beef online:

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