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Interview with Paul Kilgus

Ben Halpern

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Benjamin Halpern
Many Faces of the Illinois Farmscape project
Interview With: Paul Kilgus
Date of Interview: June 16, 2016
Location of Interview: Rural Fairbury, Livingston County, IL
Transcribed by: Amanda Roberts
Dates of Transcription: September 10, 2016 – November 6, 2016
Length of Interview: 1 hour, 17 minutes

Note: The transcriber has removed verbal fillers such as “um,” “uh,” “ahm,” and “ah” and false starts in the interest of easier reading.

BH: Today is Thursday, June 16, 2016. My name is Benjamin Halpern, and I am in rural Fairbury, Livingston County, Illinois. Today, I will be speaking with Mr. Paul Kilgus. Paul, together with several other members of the Kilgus family, is a co-owner of Kilgus Farmstead, Inc. and Kilgus Dairy, LLC. Together, these entities form two complementary agricultural businesses that are located on land which has belonged to the Kilgus family for the past 60 years. Paul is a second-generation farmer. His children, Justin and Trent, and his nephew, Matt, who are also partners in the business, represent the third generation of family ownership of the land and businesses located on it. Kilgus Homestead is a name that many of us are familiar with in Illinois. It has come to represent fine milk and cream products derived from the milk of Jersey cows. More recently, the Kilgus Homestead name has also been identified with fine meats that include beef, pork, and goat. These products are available in a number of whole food stores and several fine restaurants in Chicago and downstate Illinois. Kilgus Dairy is the name given to the actual farm on which the livestock and its feed are raised. We will now hear from Paul about his experience growing up on his parents’ farm, and what led him to remain on the land, and to create and run such a successful operation.

This interview today is being conducted for Professor Debra Reid of Eastern Illinois University. Debra’s field is agricultural history. Debra is a professor in the history department. She will be using the material that we speak about in the interview for her academic research, and she will also be turning this material over to the Booth Library at Eastern Illinois University. And the Booth Library, at some point, will be making this material available to the public through an entity called The Keep, which is the digital archives of the EIU Library. And, Paul, are you okay with being interviewed today and with this material going public through the Eastern Illinois University Library?

PK: Yes. That’d be fine with me.

BH: Okay. Paul, when did you begin farming?

PK: Well, like it's been mentioned, I've spent all my life on the farm, from a little child on up. I actually started doing the farming when I graduated from high school in 1987. At that time, I went in, kind of as a, just as a coworker-hired man-slash-partner with my father Duane and my oldest brother Jeff. And from there we kind of worked through some things, and unfortunately, in November of 1989, my father Duane had a farming accident, and, has, is in a wheelchair. He's paralyzed from the waist down, still living today at, he's 81 years old today. And so from that point, it kind of changed the course of our life. Kind of the course of how this operation was gonna go. And so I went into partnership with my brother Jeff, which would be Matt's father. And then also, unfortunately, in 1998 Jeff passed away with leukemia cancer. And so, at the present time, I am in partnership, as been mentioned, with my nephew Matt, our two sons Justin and Trent.

To give a little bit of history of the farm, my parents, Duane and Arlene Kilgus; they started the farm here as a dairy farm, and a very small grain farm, in the 1950s, and at that time they milked about 20 to 30 Holstein cows, and they raised a family of seven. I have six other siblings, and I am currently the only sibling of Duane and Arlene Kilgus's that's involved in the farm. And along with myself, it's Matt, which is my nephew, and his wife Jenna and their three children, Kamber, Collin, and Kelsey. And then, for my family, it's my wife Carmen, and then our oldest son Justin, and his wife Kaylee, and they have three children, and my second son Trent and his wife Kayla. And then we have an eleven-year-old daughter, Karla, that's just kind of coming on in the 4-H, and, with the 4-H projects, and has some interest in the farm. So that's kind of the make-up of our farm. We also have three other full-time employees and a couple part-time employees. So that's kind of an overview of what the farm is made up of.

But kind of going back, to when we started here, y'know I enjoyed the c—the dairy. Dairying is my passion. I enjoy the breeding stock part of it, and that's just worked out real well. And so that's just kind of in a nutshell, that's what brings us up to what the farm is made up of at the present time.

BH: Okay. Can you talk a little bit, going back a little ways, about the farm that your parents bought in the mid-1950s? What did the farm consist of – this was before your time, obviously – what did the farm consist of when they came here and talk a little bit about their operation.

PK: Mhm. Yeah. Like I mentioned, I believe there, when Mom and Dad first started, they milked about 20 to 30 Holsteins. Farmed small acreage, and obviously at that time they didn't...the cost of living isn't what it is today, but they worked hard. They had a passion and a desire to till the land, and to raise their family on a family dairy farm. They did it much different than we do today. They milked

in a six-stanchion barn. Lot more hand labor than it is today, and along with that, Dad, he also drove semi on the side, to kind of help make ends meet, raising a large family of seven. So that's kind of, and I believe, at that time he sold commercial milk to the milk plant Meadow—

BH: Meadow Gold.

PK: --Gold, yeah. And Champaign. And then like I said, most of the crop was fed he did have a little bit of cash crop left over for sales.

BH: Mhm. How many acres was he farming?

PK: I believe it was in the vicinity of about 400 acres. 4 to 500 acres—

BH: Mhm.

PK: --is about what he farmed.

BH: And at the time he was active, just ballpark, how much of that acreage was devoted to hay, how much of it was devoted to grazing, and how much of it was devoted to either feed crops or cash crops?

PK: Mhm, mhm. I would say at that time he didn't do a lot of grazing, so, growing up, what I can recall from my past, he'd have 10 or 15 acres of hay. In the spring he'd put out another 10 acres of oats. And then, generally, 50 acres was devoted to corn for corn silage and corn grain. And then the rest would have been sold as cash crop.

BH: Now, you were born in 1968. And, describe for me, if you will, the farm as you remember it as a child.

PK: Well I was number six of the siblings in the family, so my older siblings will tell me it was a lot different when they were my, when they were younger. But what I remember of the farm when I was just old enough to go out and help was, it was a lot of physical hand labor. All the hay was baled in small square bales, today we use big square bales that we move with skid-steers and end-loaders. So I would say probably the biggest difference is it was just a lot of more, a lot more hand labor. You got by with what you had. You didn't—you watched your costs, probably then more than what we do in today's society. Didn't throw anything away; you used everything that you raised. And, which, really, I believe, was, without a doubt, very good to be raised in that environment, because it taught us a lot about life. It taught us, it helped build character, it helped develop who we are today.

BH: And on that farm, did you only have cows as livestock? Or did you have other livestock as well for your own use?

PK: Yeah, as a kid growing up we always were just strictly a dairy farm with Holstein cows.

BH: Okay. Now going back to those values, and that's, y'know, one thing I have observed on this farm is number one, how you care for the, for each other as family members. Number two, how you care for the animals. Number three, how you care for the grounds and the buildings, I mean it's beautiful. It's a pleasure—

PK: Mhm.

BH: --to be here. And, can you tell me a little bit about where, where else, where those values came from.

PK: Yeah, well, that was always something that was very important to Mom and Dad in raising us as a family. We were always taught that you work hard to earn your living, that you were to be good stewards of the land, and that you would respect, y'know, those things. And I would say we were very fortunate, my parents were God-fearing parents, and they taught us that there was more to life than just money. And looking back, that was something that I wanted to be able to pass on to my children. And, so that is something that's very important to us and for which I'm thankful I, and I believe that if we do our parts as stewards of the land, that there's going to be a lot of blessings that follow.

BH: Can you talk just a little bit about which church your family is affiliated with? And the influence of the church on--

PK: Sure.

BH: --your life?

PK: Sure. We were raised in the Apostolic Christian Church which my parents were members of. And some of my family, my particular family, is today. And I think that's, that had a lot to do, not necessarily of what church it was, it was just the values, the spiritual values that Mom and Dad had and what they felt were important. One of the things that we were taught from little on up that we greatly, very much embrace today, and that is, that you work six days a week, and seventh, and Sunday is a day of rest. And that's the day that we go to church and we worship our Creator. And one of the values that was instilled with, in us as kids growing up, is that if we expect a blessing, than we need to give due honor to our Creator, and so that is something that we've tried to pass on to our children and hopefully our grandchildren.

BH: It's very well said, and I appreciate that. Tell me a little bit also, about the role of your parents while you were growing up. I, did you have other grandparents living close by?

PK: Yeah, as far as my—

BH: ...and the role of your elders—

PK: Sure.

BH: --when you were growing up on the farm.

PK: Sure. As far as my family...my dad grew up here in central Illinois, in Fairbury, and his parents, which would be my grandparents, were Herman and Marie Kilgus. And my grandpa never had a real interest, so much, in farming. He did, yell, he did, growing up, milk a few cows, but never really engaged himself in the dairy and in the farming. That's strictly was really developed by my dad. But my Grandpa Herman, he worked at the local fertilizer plant, and was the manager there for as long as I can remember. He passed away in 1978, but he always had a passion for agriculture, just not so much in the livestock part of it that my dad did. So that was my grandparents on my dad's side. My maternal grandparents would have been Ralph and Emma Werner from the state of Oregon, that's where my mom was born and raised. And there too, my Grandpa Ralph, he milked a few cows, as did a lot of families at that time, and I believe farmed some small acreage.

BH: So, when you were growing up, though, what role did your parents play on the farm? You were running the farm, but you also mentioned that you had older siblings, so I guess in this particular case I'm gonna ask what role did your parents play and what role did your older siblings play A) in your growing up and B) in your operation of the farm?

PK: Yeah. Well, it was a farm. It was just strictly owned by Mom and Dad, Duane and Arlene. And they stayed pretty consistent in their size, as my older siblings were raised, they had the same experience I did. Chores were always important. Some of us enjoyed them, and some of us didn't. But nevertheless, whether we liked it or not, that was the part of our growing up, and, so that is as far as the role Mom and Dad played on the farm, and I would say it was just establishing a good functional farm that could be handed down to any of us siblings that were interested.

BH: Now, has that tradition been kept up with your children and now grandchildren? I mean, is that, is that still how things are pretty much on the farm?

PK: Well, really, basically we're still a dairy farm, but we have changed. We've diversified. As we all know, the cost of living and raising a family today is a lot different than it was, y'know, forty, fifty, sixty years ago. So, today, I guess we came to a time when our two oldest boys, Justin and Trent, they had a desire to come back to the farm, and so we kind of looked at different options, what we

could do. At the time it was just my nephew Matt and I, and we needed, we realized we were coming to a crossroads in our operation. So we began to kind of think out of the box. How could we incorporate some of the, our children and hopefully Matt and Jenna's children down the road. How could we incorporate them into this family farm and still keep it a family farm, because that is what's really important to us. So, as we came to this crossroads, y'know, we sat down with our banker and we kind of laid out some of our ideas. One was to go down, y'know, to kinda think out of the box and look at it more of a value-added farm, realizing we were going to have to make some big changes to make that happen. Our other option was to become a mega-farm and milk, y'know, a thousand to fifteen hundred cows. That really wasn't our passion so much, our passion, I guess my passion is I love the dairy cattle. Genetics are very important to me, the sales and breeding stock are very important to me, and so we kind of wanted to...our goal was to keep it more of a smaller family farm, but in order to bring other family members in, we were going to need to diversify, and so that's when we kind of come up with the idea of going to a value-added product. And we began, we spent about a year or two prior to 2009 looking at other operations that were bottling their own milk and really wanting to see is it something that was, first of all, was it economically feasible for us, was it something that we all were in support of, and after, like I said, a year or two of research and sitting down and putting numbers together, we decided that we kind of wanted to take a step in faith and move forward with this idea.

BH: Okay. I'd like to back up, just a little bit, because I'd like you to describe, if you will, what a typical day was like on the farm when you were growing up—

PK: 'Kay.

BH: And then I'll ask the same question about when your children were growing up, and then, how things are changing—

PK: Sure.

BH: --over time, because the change you made is very, very big—

PK: Mhm.

BH: You grew up when your parents were still selling fluid milk off of the farm—

PK: Mhm.

BH: --and before your dad's accident—

PK: Mhm.

BH: Talk a little bit about a typical day on the farm--

PK: Sure.

BH: --growing up.

PK: Okay. Yeah, I would say when I was in grade school, junior high, basically a typical day was we'd get up at five o'clock in the morning and go out and milk our thirty, forty cows. As I got a little bit older, we did increase to about fifty cows. And so, my job was to feed the calves and to help milk. Usually, it always took an hour to milk; we could milk thirty cows in an hour. We did a lot of little square bales of hay, so it seemed like all summer long, when we weren't in school, we did our chores, and we either went out and raked hay, we baled hay and put it up in the hay mow, or we did a lot of bean walking. Again, something very different than what our children are doing today. And then again at four-thirty at night, you were back to the farm, you milked, and then you set out and had supper at six or six-thirty at night.

BH: Now, did you go to school all the way through in Fairbury?

PK: Yes, I did. We...all of us went to public school here and our school's just a mile down the road, so it was pretty convenient for us.

BH: Okay. Now, did you have any education beyond high school?

PK: I did not. I contemplated going on to get some further education, but at the time my dad was, he had milked a lot of years, and was wanting to look at maybe getting out, and then, but I had a lot of invested interest in cows, and so I kind of had to make a choice. My mom and dad never, y'know, held me back from going for further education, but I guess, my passion and my love for the dairy kind of superseded my passion for going on to school, and looking back, I feel like it all worked out the way it was s'posed to, because just a few years later my dad had his accident, and then it was my responsibility with my brother, Jeff, to kind of take over the farm.

BH: Was Jeff older than you?

PK: He was. He would be, let's see, he's about...fifteen years older than me. So.

BH: So, so, you and he had a good basis, a wide time span that you covered, and also he was older and hopefully a little wiser, and able to share with you some of his knowledge as well, am I right?

PK: Yes. That's correct. And that was kind of the beauty of it. I farmed for just a few years with he and Dad together, and then Dad had his accident, and so a lot of this was new--

BH: Mhm.

PK: --for me. And so, Jeff taught me how to plant corn and beans. He taught me, y'know, how to manage a farm, along with Dad, but there was a lot of, there was several years there after his accident where he went through a lot of rehabilitation and wasn't able to really, to give a lot of input.

BH: D'you mind my asking what happened to your dad?

PK: He had a large round bale of hay come over the top of the tractor and bent him over the seat and broke his back, which paralyzed him from his waist down.

BH: My, that's terrible, but I mean it reiterates that, y'know, the risks that farming involves.

PK: Sure. Yeah. Um.

BH: And were you able to help care for him on the farm?

PK: Yeah, after his accident and he was wheelchair-bound, he and Mom continued to live here on the home farm for several years. I think about maybe eight years. And then my wife Carmen and I and our children moved up here and they moved closer to town.

BH: So that's good that you're close by, and that he's still, y'know, functional, other than the fact that he's wheelchair-bound, and I'm glad that that's—

PK: Yeah.

BH: That—

PK: Yeah.

BH: That you were able to be close.

PK: Yeah. And even though he wasn't able to help us, y'know, in a physical way, he gave us a lot of, there was a lot of wisdom in his years of experience, and just as far as the practical management of a farm, he was still able to give us a lot of input, which was a very important and crucial part of the business.

BH: So you and Jeff still had your dad as a mentor for some time.

PK: Correct.

BH: Well, during those years, say when you started running the farm with Jeff, what were the changes that you saw in your routine then? When was that, by the way, that you took over the farm with Jeff?

PK: Well, Dad's accident happened in November of 1989, so basically it was from there on that Jeff and I went into partnership—

BH: Mhm.

PK: --formed the formal partnership, and he kind of overseen the crops, and I kinda overseen the dairy, and we worked together. So basically at that time we were milking about ninety cows at that time. And so, basically if we kind of decided that if we were going to continue to dairy, that we needed to make some changes, and that's when we, in 1991, we built a roulette from a stanchion barn to a milking parlor. So that was kind of the first step in to where we are today.

BH: How much acreage did you have back then?

PK: At that time I think we were up to about seven hundred acres of farm ground.

BH: Mhm.

PK: 'Cause Jeff had picked some up from his in-laws, and so we were roughly seven hundred acres.

BH: Okay. And how did your routine change? Y'know, you were now milking ninety cows, and when did you marry? When were your children—

PK: Okay.

BH: --part of the picture?

PK: Carmen and I were married just, in April of 1989, just six months before Dad's accident. And then, let's see, in 1991 is when our first son Justin was born. And just as I was, just as I did when growing up, when he got old enough to be in 4-H, he started with a calf, and his interest kind of grew from there.

BH: Mhm. And in the meantime, Jeff's son Matt was farming when he was twelve, right?

PK: At the time, he'd'a been a lot younger, he'd a been going to school.

BH: But doing chores, anyway.

PK: Right, correct, yeah, yep. He was being raised just like we were and just like Jeff was.

BH: Mhm. Now, when we spoke earlier, y'know, you talked a little bit about the role of the family when you were growing up, the extended family. How about now, as you and Jeff had children growing up here on the farm, how did the role of family members change during your formative years?

PK: Yeah. Well, no question it had changed, as my sis—as my older siblings, as they had graduated from high school, and pursued other careers, and married and had families. They've, I have a brother that lives in the state of Oregon, I have a brother that lives in the state of Indiana, and then couple other my siblings just live about an hour east, at Tremont, Illinois, west, rather. And so they've kind of, chose careers off the farm, they just didn't have interest, and so basically it was kind of left to just Jeff and my family's, who remain here on the farm.

BH: And then you were able to work together well, and... Talk a little bit about the influence your dad had, once he was able to recover some, and, y'know, you talk of him as a mentor, how, what was his influence on this farm and on your children?

PK: Mhm. Well, no question, y'know, his input helped us get to where we are today. You know, growing up, when he was raising a young family, compared to what we were, was a lot different, but as we looked at expansion and different avenues, he was able to help us look at it from a financial standpoint. Were we making good business decisions? And I guess we always had him to go, to fall back on when we had questions, and looking for just advice of someone whose had experience.

BH: I'm sure that advice was well-heeded.

PK: Yes. Yep.

BH: So, talk also, if you will, about the role of local banks and other businesses in the operation of the farm.

PK: Yeah, well, as far as banks and businesses that we use, no question in what we've done, without their support and their backing it wouldn't have been possible to be where we are today. But, I think, first and foremost, they had to believe in us, and they had to believe in what we were doing, and, so whenever we made those decisions, to expand, or to venture into this avenue or that avenue we would sit down and, especially our bank, and talk to the banker, and if he was comfortable with it, then it made us a lot more comfortable with it, too. And like I said, they, we always had a hundred percent of their backing, and they were right there to work, y'know, work out the hard-core numbers with us and to support us. And so that's kinda what, the way that went with them.

BH: Sure. Did you have any input at all, say from United States Department of Agriculture or other federal agencies?

PK: Y'know, as far as when we went to the value-added and built the processing plant, that's when we probably leaned a little more on the state and the federal organizations. We did apply for some agriculture grants in the beginning phases of our bottling, so they probably came into play a little more in the recent years than further in the past.

BH: Okay. I'm gonna diverge a little bit here because I'd like to hear some about the changes that were made on this farm in more recent years. For how long did you and Jeff farm together?

PK: Basically Jeff and I farmed from when Dad had his accident in 1989 'til August of 1998 when he passed away with leukemia.

BH: I'm very, very sorry about that. And then what happened?

PK: Well at that point Matt was, I believe he was a junior in high school, had a lot of interest in the farm, had a love and a passion for the dairy and for farming. And so I basically stayed in partnership with Jeff's wife Lisa, which would be Matt's mother, and, to kind of give, 'cause I guess I felt like I wanted to give Matt the same opportunities that I had, and that I believed his dad would have given him. And so Matt finished high school, went on to a junior college at Joliet, and I just remained partners with Lisa. And then once Matt graduated from junior college, then, y'know, this was something that he felt like he wanted to do, so he began to buy out his mom's share and to take over her part. So that's kind of what led us up to where, the beginning of what we have right now.

BH: Okay. And talk a little bit, if you will, about some of the changes that were taking place. You mentioned that some major changes began to take place in the mid-1990s with your livestock. And if you could, talk a little bit about that.

PK: Sure. And that would have been when Jeff was still living, and when Jeff and I were partners, but in the mid-1990s, we, like I said we were milking about, at that time about 90 Holsteins, I guess.

BH: Mhm.

PK: And we had moved in, y'know, in '91 we built the double-six herringbone parlor, so it allowed us to milk more cows in the same amount of time. So we were up to that 90, sometimes bumping up against 100 cows. And we were all Holsteins, but at that time we were shipping our milk to Foremost Farms out of Wisconsin.

BH: I might mention that Meadow Gold closed around, what was it, around 19- It was in the early '90s, as I recall.

PK: Yeah. Yeah, yup. It would have been early '90s. I don't know exactly the date for sure, but... But then, Foremost Farms kind of took over Meadow Gold's customers.

BH: Okay.

PK: And so, we were going there, and they were change, they were going to change their pricing system to a component pricing system, which would be based on your components: your fat and your protein and your milk. At that time our Holsteins were, we were breeding for larger animals and they were almost getting too big for our facilities. And I always kinda...I dunno, had a hidden desire of, maybe, trying another breed, and the Jerseys seemed very intriguing to me. They're a little less volume of production, but higher components, fats, protein. What I had read on them was that they were maybe a little more efficient cow, and so, the opportunity came up for us to buy ten Jersey cows from a dairyman down by Carlock, Illinois, just about an hour from us. And... So we pursued that and we decided we'd try ten of 'em. And I'll never forget what he told us when we loaded the trailer. He says, he said "Just give it a little time and these little brown cows are gonna grow on ya." And he was exactly right. We really liked 'em. For their bodyweight, they were very efficient. We felt like they were, they would consume about thirty percent less feed than a Holstein, and it just kind of made sense, because they fit our operation, so then we went and we bought a few more...the time came when we had a mixed herd, and we had the opportunity to sell all of our Holsteins and go a hundred percent Jerseys. Another Jersey herd came up for sale. So, there again we kind of weighted out the balances and decided that was the step we were gonna take. So, in about, I believe around 1995, we switched over, or maybe it was a little bit later when we went totally to all Jerseys—

BH: Mhm. Now I have a couple of quick questions.

PK: Sure.

BH: This, of course, was you and Jeff—

PK: Mhm.

BH: --and you mentioned that the Jersey was a more efficient, is a more efficient producer, where they consume about thirty percent less feed. Well, are they giving you the same volume of milk over the course of a day? Or...

PK: Yeah. As far as production on a volume level—

BH: Mhm.

PK: --they don't produce quite as much as what a Holstein does. But with the components, with the higher butter fat and protein...

BH: Mhm.

PK: Our bottom end dollar was, we felt was higher, because we had less input costs, and yet we had a very valuable product.

BH: Okay. So this creamery in Wisconsin, what was the name?

PK: Foremost Farms.

BH: Foremost Farms. They were paying a premium for that higher butterfat content.

PK: Yeah. And it was the butterfat and then the protein, that's when they really started—

BH: Those two things.

PK: Those two things. And so at the end of the day, we were coming up with a pretty nice premium on our milk check.

BH: Okay. And so... The change had been made over to the Jersey herd, and how did things proceed once you made that change all the way over to all Jerseys?

PK: Well, like I said, we just, we liked what we seen in the Jerseys and they fit our op—they fit our facility, so we decided to go all Jerseys, with some things in mind. We were looking at the rotational grazing system.

BH: Mhm.

PK: Weighing in the balances, could we take fifty acres of productive cropland ground, that's gonna raise corn and soybeans, and put it in pasture and rotational graze it. So, that is what we decided to do, we decided to try it, and so we took fifty acres, and we divided it into just about three-acre paddocks. We actually have about sixty acres, 'cause we had that little bit of permanent pasture, so we have sixty acres that is split up into paddocks, and the Jerseys proved to be very good grazers, and it was very cost effective, because they were doing the harvesting, y'know, six of the – half of the year, basically – six months out of the year, they were doing the harvesting, they were spreading their own manure, and we really liked what it did for herd health, cow comfort. And, so we did that for a few years, and then that's when we kind of started toying with the idea of doing our value-added and our own bottling processing.

BH: And when did that change actually take place?

PK: As far as the bottling?

BH: Yeah, or let me ask a question here, and forgive me if this is too personal, but after Jeff passed—

PK: Mhm.

BH: --you were still, this was before you had begun bottling—

PK: Mhm.

BH: --correct?

PK: Correct. Correct.

BH: And, you were still on a rotational grazing system with the Jerseys—

PK: Yeah.

BH: And—

PK: Still selling to the commercial market.

BH: Still selling, okay.

PK: Yeah.

BH: Were your children old enough to help some then, or, y'know, how were you able to manage for those years after Jeff passed and before Matt was old enough to become a partner?

PK: Yeah. And looking back, those were some pretty tough years, pretty strenuous years. My wife started helping me a little bit in the field, she ran the cultivator and so forth, and then we also, we just had to rely on some hired help. But Matt and his brother Michael, they were old enough to help, our kids were starting to get old enough to feed calves, and we just knew we had to work together as a family, and that's, I think that's really the beauty of a family farm is you're not only there to enjoy the good times, but it also helps you through the tough times in life, too.

BH: Mhm. Now, did you have any, say, off-farm help from the U of I Cooperative Extension or from any other, say from Farm Bureau, or other outside entities?

PK: Yeah. I would, not a lot at that time. We didn't use a lot of that. Today, Matt and Jen are very active in Farm Bureau and the Young Leaders, but at that time, I would say, we were pretty self-sufficient, kind of just did our own thing.

BH: Okay. And, talk a little bit, if you will, to the switch toward value-added. You...and when that occurred.

PK: Yeah. Okay. And like I had said previously, just prior to 2009, probably starting in 2007, we kind of started, y'know, taking, okay, all Jerseys were rotational grazing, my boys were getting old enough that they were starting to show interest in making this their career, and realizing that it wouldn't be enough to support, long-term, four families, y'know, with just a hundred cows and grazing and farming seven hundred acres. So, we sort of kinda started thinking out of the box. At that time you were starting to hear a little bit more about the concept of local foods, from farm to table, and that seemed really intriguing to us. And sitting just a mile out of town, we started to kinda put the pieces of the puzzle together. And like I'd mentioned, we spent a year looking at traveling out into Iowa, at different on-farm processing plants, asking them what they thought about it, and we got a lot of positive feedback, and then we sat down with our banker, and he really encouraged us, was behind us a hundred percent, and so we started putting the plan together. And so, actually, in June of 2009 is when we started officially bottling our own product under our own brand name of Kilgus Farmstead.

BH: And how did that take place? Did you build a creamery here on site at that time? Or did you bottle elsewhere first?

PK: No, we did some research before, and the milk cooperative that we were selling our milk to, their rules that they had put in place is that if, you either sold them one hundred percent of your milk or none. So we knew that. We told 'em what we were thinking of doing, obviously they weren't real excited, but on the other hand they were willing to work with us, and they said, y'know, until you start bottling on your own, we'll still buy your milk. So we knew that we had a pretty big mountain ahead of us. Our banker just told us, he says, if you can weather the storm the first year, you're going to make it. And, so, weighing all those things, the pros and the cons in the balances, we felt like we were at a point, financially, we were two young families, and we knew it was going to take a lot of hours, a lot of family help that...to make this thing go.

BH: Mhm.

PK: So, we built a, we took our toolshed here on the dairy, and we converted part of it into the bottling plant, processing plant, and then we added a storefront and offices onto that building, the way it stands currently today, and that's been a really positive thing. As far as, like, our involvement with the state and federal organizations, there was a lot of red tape, a lot a hoops we had to jump through to make it happen. I think what made the difference is that our state milk inspectors, state health inspectors, they were behind us a hundred percent, willing to work with us, and I'll have to say it was, even though there were sleepless nights, we had a lot of support and I think that's really the only way we got through that.

BH: What were some of the things that kept you up at night? I mean, what were some of the things that you worried about?

PK: Probably the biggest thing was just the thought that the day we fill our first jug of milk under our own brand name, the milk truck wasn't going to pull into our drive and pick up our take of milk, and, so, it kind of felt like getting thrown out in the ocean and having to swim. And, in fact, that's kind of what it was like. So, we spent a lot of time, basically we had to convince people why they should buy our milk, and we chose to go with a non-homogenized milk, where the cream rises to the top. It's pasteurized, but it's not homogenized. We chose to go with the HTST pasteurization, which is, I believe it's like at a hundred and sixty degrees for like fifteen seconds, which we felt was the best of both worlds. Y'know, I mean it was getting a good pasteurization, but yet we were keeping the good in the milk, too. What our goal was, was to produce a milk, a product that would be as close to nature, or to raw milk, as we could get, and that's why we chose that. So that set us apart, that was kinda the niche market. We weren't organic, but we weren't commercial, so we kind of fell right in the middle. So that's kind of the avenue we went; like I said, probably the thing that kept us up at night was where we were gonna go with the milk, what if the customer doesn't buy, what if the equipment doesn't work, but I guess that's where, before we started this, we felt that everybody involved had to be at a total peace with it, and believe that we could do it, and...so we felt like, as I mentioned, it was really a step in faith, and yet, we really just feel really blessed that we're where we're at today.

BH: Well, you also have the drive and the know-how. You didn't just go about this blindly.

PK: Right, right.

BH: But, I've gotten to know you and Matt a little bit over the last few weeks, and I can see that when you do things, you do them right, and you work hard at it. How did you put together the market, if you will, so that those worries that you had, fortunately, did not materialize?

PK: Yeah.

BH: That people did accept the product--

PK: Sure.

BH: In fact, you know, we get it all the way down in Champaign and Urbana now.

PK: Sure. Sure. Well, we had done a little bit of research, talked to some of the, like, the whole food stores in Chicago. Some of those places that were more health-conscious, and they were very interested, because it was just exactly what they

were looking for, so there was a little bit of satisfaction in knowing that there was interest out there. And that probably was the straw that kind of helped us, y'know, we had, the last hurdle we had to get over, and when we found out that there was interest, the fact now is just that we had to produce a product that was good, that they liked, and so, like I said, we did a lot of demo-ing, and things such as that, and, y'know, we spent that first year, we did a lot of calling stores and saying "are you, would you be willing to try our milk", we went and demo-ed it a lot of places, we had an open house here, at the farm, and then, as time went on, that kind of changed from us calling potential customers to stores hearing about us, hearing good things about our product, and calling us, and saying "Can I get on your list?" And that was a real relief when that, when the balance kinda switched there.

BH: Now, do you truck the milk to the different locations as well?

PK: We do run a route, and then we also work with a distributor out of Chicago that delivers up in the Chicago area. And, so, but we do run our own route to Champaign, to Bloomington-Normal, to Peoria, and then some of the locals around here.

BH: Okay, and, so, here you are in 2009, with a completely different business model, a completely different way of running things, how did you and Matt split the business? I mean, you had a lot going on—

PK: Yep, yep.

BH: And how were you able to make it work?

PK: Yeah. And that was the other thing. Y'know, we looked at this and we knew it was gonna be a lot of family working together. And that's a wonderful thing, but it can also pose its challenges, too. And so we looked at our whole operation, and, obviously we're very diversified, and so, because of being diversified, we felt that everybody kind of had their own interests, where their talents would shine in different areas. And so we kind of, that's kind of how it all fell out, and basically how it's set up today is Matt manages the bottling plant along with my oldest son Justin, and then as far as on the dairy side, myself and our second boy Trent, we manage the dairy part, and then we crop farm together. So, we help each other back and forth, but we each are in charge of making decisions in those areas. And since we've started in 2009, we've also expanded into the meat market, too.

BH: Talk a little bit about that, if you will. How did that come about?

PK: Sure. Well, when we started in 2009 it was just strictly fluid milk, and...but as that grew, we had interest in, at the time, my boys had the meat goats, the boer goats, as 4-H projects, and there's starting to be interest from some of the

restaurants we sell our milk to, that there was interest in goat meat, and so a little 4-H project developed into a big project and, anyway, because of that, that opened some other doors, and so, then also, along with the boer goat meat, we had Jersey bull calves we needed to do something with, and we kinda looked at that as rather a liability, how can we make that an asset, and so we started feeding out Jersey steers and creating our own market for Jersey beef. And over time that has really expanded. When we first started bottling, we had extra milk, obviously, that we had to go somewhere with, so we bought a few hogs, like a lot of people do, and we would feed that milk to the hogs, and there again, that word kind of got out to some of our customers, and some of the restaurants, some of the meat shops, showed interest in pork, and so they encouraged us to go into the Berkshire breed, and so that's kind of where we are today, and so as a result of that, that has opened up a whole new branch of marketing for us, and products. And Justin, our oldest son, he manages the marketing of the meat, and sets up the delivery, and one day we rent, one day a week we run a truck to Chicago to deliver meat.

BH: Well, I know also you're selling meat down in Champaign and Urbana.

PK: Sure. And that goes along, that goes with—

BH: 'Cause we have restaurants down there, and also a food cooperative, a whole foods cooperative, that, at least one—

PK: Mhm.

BH: --that I know of that's selling your products there as well.

PK: Yeah.

BH: Paul, we were talking a little bit about the diversification of the farm, and the branching off into selling different meats, in addition to milk. How did you make that work? Where did you get information from to learn how to raise the different animals, and also how to raise beef cattle as opposed to dairy cattle? Where did some of that information come from? Where they any publications? Any people from Extension or anywhere else that had some input?

PK: Yeah. Well, obviously it was something different than what we had been doing, but we viewed it as an opportunity to expand within our business, to make our business more profitable.

BH: Mhm.

PK: From growing within what we were producing, and basically a lot of it was just trial and error, but we did, we leaned heavily on our feed companies and our nutritionists, because feeding a Jersey steer out is much different than feeding an Angus or a Hereford steer. And so, it didn't just happen overnight, over time,

trial and error, we've got to where we want to be. A lot of feedback from our chefs, seems as though different chefs and different meat shops want something different, y'know, a little bit different from the other, so that was important there. Talked to, like with the Berkshire breed, we talked to different Berkshire breeders. Again, mainly we relied on our nutritionist to give us some direction on how to do this.

BH: And, you mentioned earlier, to me, that there's also a big difference in how you feed a Jersey steer, than how you feed a Jersey cow.

PK: Correct. Yeah. Basically the Jersey steer...well, we do grow non-GMO corn for our feed source for all of our animals, so what we've found is that high-moisture ground-ear corn works very well for feeding out Jersey steers, and...so it's a very high corn based diet, but it's...we've found that it's...we get our maximum rate-of-gain, our highest quality of marbling and end product. So, a big portion of that, of what we feed them, comparatively, to the Jersey cow...her ration and nutrition is more forage based, it would be more like, y'know, sixty to sixty-five percent forage to concentrate, much different than the Jersey steer.

BH: Do they pasture?

PK: They don't. We do not...number one, we do not have enough pasture ground locally to pasture the steers. Number two, it would, we would not be able to get the quality of meat in the end because of the marbling if we pasture the Jersey steers. Now, if you took a beef animal, such as an Angus or Hereford or a Sharleigh, it's going to be a little easier to pasture an animal like that and get that marbling that maybe they're looking for.

BH: Mhm.

PK: So.

BH: How about the cows?

PK: As far as the cows, we do pasture from the first of April to the end of November in an intensive grading system, rotational grazing system. During the heat of the summer, the cows are only grazed at night when it's cool and they're kept in the vet-pack barn during the day on our stored forages, and that's what they're fed during the day when they're inside.

BH: Sure. I photographed the interior of the barn and it's quite interesting. I've seen a handful of barns like that. What is the...where the cows actually live, where they walk, and where they lay down, is that a mixture of dirt and...?

PK: Well.

BH: How's the... Talk a little bit about the, how that barn is put together.

PK: Two years ago, we built that barn, and it's called a compost barn.

BH: Mhm.

PK: It's loose housing. It works very well with the pasture system. But basically what it is is, it's just sawdust.

BH: Mhm.

PK: And we till it, cultivate it twice a day during milking, and it basically heats and creates its own compost, and it just keeps building deeper and deeper, and by composting, it kills any bacteria, so it leaves a very soft, comfortable bedding or place to lay for the cows, and it's worked out very, very well. It's very cow-friendly. It's very comfortable for the cows, and it's very public-friendly, too.

BH: Yeah. I noticed also, that you don't have automated feeding, for either your beef cattle or your cows. How do you...how...can you explain a little bit how your feeding is accomplished?

PK: Yeah. And again, we talked about different areas for different people on the farm. Our son Trent, he takes care of all the feed-mixing and the feeding, and he does that once a day every morning. And, so that's kind of his responsibility. I kind of oversee the, as far as the nutritional part of it, and the rations, but we work together on that, but he's the one that's in charge of actually doing the mixing of the feed and the delivering of the feed.

BH: How do you deliver it?

PK: We've got a TMR, a total mixed ration wagon, and, so we feed every morning and we just push the feed up throughout the day.

BH: And you have water delivery?

PK: Automatic waters...

BH: Okay.

PK: Both in the pastures and in the barn.

BH: Now how do you handle the waste, the manure?

PK: Basically, we're all pretty well all solid manure, which means it's not in a liquid form, and that is stored, and then – on a pile during the year – and then in the fall-time we spread it on the fields for fertilizer.

BH: Okay. Now, you also mentioned to me that on part of your ground you're raising cash grain. Can you talk a little bit about, well not only the cash grain, but...you now have a much bigger farm than you used to...

PK: Sure. Over the course of the years, and just in the recent couple years, we've picked up some more ground to farm, and currently we're farming about fifteen-hundred acres. We custom farm about an additional five hundred acres on top of that. So it is quite a few acres to cover, but there again, with as many people that are involved, it takes a lot more for families to live today. So, we grow all of our own forages and grain for the livestock, and then that leaves us with quite a bit of crop that we can sell for cash crop. Which is very important to us, just to help the farm function. So, as far as the crops, our soybeans...we grow soybeans, corn, a little bit of wheat and then also some alfalfa. About seventy acres of alfalfa, generally we raise about a hundred acres of wheat, and then the remainder is corn and beans, and that's split fifty-fifty on acre-wise.

BH: So when you mention that you grow your own feed here, a lot it, do you have a silage chopper that you harvest with when you harvest your corn as silage? And do you have a grinder that you use—

PK: Yeah.

BH: --for your...?

PK: As far as our silage-chopping, we do hire that. We just found that it just works better in our system, hiring that done. I guess we looked at it, y'know, you're looking at investing, y'know, a hundred and some thousand dollars in a harvesting, chopping—

BH: Mhm.

PK: --in a chopper. We just felt like we had other places we could spend our money and hire that done. So that's the route we've chose with that. As far as the harvesting of the rest of our stuff, our grain, we run two combines, and so we harvest, we do all of our own harvesting, too.

BH: Okay. And for both what you keep and for what you sell--

PK: Correct. Yep.

BH: --on the market.

PK: Sure.

BH: And, so, I assume this is all working well, and for how many years now has the farm been operating this way?

PK: Well, we started bottling in 2009, so up until, from then 'til now, that's...we've just kind of gradually progressed to where we are today and where we're gonna take it from here, I guess our first thought always is look at the areas of what we're doing now and how can we improve that, can we put a higher quality product out, can we improve that product, what can we do to make us more efficient, more productive with what we've got. Bigger isn't always better. Lots of times it's just the opposite, so I guess our thought is we want to be able to manage what we have in the most productive and efficient way that we can.

BH: Okay. And, I wondered, if you could, tell me an example of how you, not just as an individual, but really as a family, solve a major challenge that may take place here on the farm.

PK: Yeah, well, no matter what we do, what career we have or we find ourselves in, we're always going to be faced with problems and challenges.

BH: Mhm.

PK: I think the best thing...I guess the one thing I like about our operation is that we have a lot of, there's a lot of people involved and I feel like it gives a lot of different perspectives to a problem. And, so what we try to do is we try to, amongst ourselves, reason what is the most...we put our input in and then we kind of look at it and say what is the best alternative. And many times, it's taking a little bit from everybody's idea, and making it into one solution.

BH: And that's great. And I assume that's working well, just based on the success that I see here. Do you have an interest in history?

PK: Probably the older I get, maybe, the more I do. History was not always my strong point, but like I said, as I get older, my interest in that probably gets a little more than it used to be.

BH: How do you satisfy that curiosity?

PK: I prob...for myself, I'm not a big one to just sit down and read, I like to visit with other people, and, y'know, maybe parents or grandparents—

BH: Mhm.

PK: --or people that, y'know, that have had a lot more years' experience than me, and just have them share with their past and what they know.

BH: Well, building on that, how have some of your past decisions been related, say, to personal experience or other past events that you've learned from?

PK: I would say, probably, one of the biggest things that I've learned is that working together as a family, being able to come to a solution, work together, because from our past experiences with my dad's accident and with my brother's passing, we don't know what life holds for any of us, and you can't go back and change those things when those things happen, and so I guess we feel like, or I feel like really a big focal point is that being able to work together, and to be able to get along and to have a good relationship, good communication, I think that's just valuable, and it's really key to being successful.

BH: Do you believe that there's any other input that you wish you had when making some decisions?

PK: Just probably from our own experiences and what we've done, if we could go back prior to 2009, probably one of the things we would have done differently, maybe, is all of us, or at least Matt and Justin, those involved in the bottling, maybe went and actually worked in a small bottling facility or processing plant, and just had a little more hands-on experience, rather than learning by trial and error. And yet I think there's benefits in that, too, but if we could do anything different, it might be doing that, just getting a little more hands-on before jumping in.

BH: Sure. What excites you about the possibilities of farming or this business, if you will, the farm business, in the future?

PK: I think as time goes on, like I said, there's a growing demand for knowing where your food comes from, and I just think it's a great opportunity, not only to be good stewards of the land, but to be the people behind our product. I think that's very key, that's very important. I think there's a lot of opportunities. And just in the last, y'know, four or five years here, the opportunities have opened the doors for us to expand, different avenues to take. It's been really exciting and I think there's still more to come. And as our children grow, and now our grandkids, nieces and nephews, great-nieces and nephews come along, I think there's a lot of different areas we can branch out in. I feel like we've kind of set the basis and the foundation, now we can kind of branch out from there.

BH: Sure. Any idea of what you would say to them that offers the greatest potential in agriculture?

PK: I think what's really important is that before you get into something, you need to have hands-on and know how it works before you proceed into something else. To really understand how a business functions, I think you need to work in all aspects of that business. I think that, it gives you a deeper appreciation for the business, and it also gives you a better understanding of how it functions.

BH: Now, if you're giving advice, say, to new farmers or young people who want to go into farming, what would be that advice? Possibly even to your grandchildren?

PK: Yeah.

BH: What would be the advice you would give to them?

PK: I had talked to, before we did this, I had talked to an older individual that kind of went through something similar with a family operation, just asked him what his advice was, and I think it's very key and was very good. He just encouraged me, he says "if you're there for the paycheck, it's probably not for you; if you're there because you love what you're doing, then you're gonna be successful." And I think there's a lot of truth in that. You have to have the desire, your heart has to be into it, it has to mean more to you than just money, y'know, even though that is very important, and it has to financially support itself and be profitable, but I think if you set those things in place, I think the rest follows.

BH: What would you consider the most fulfilling aspect of your job?

PK: I would say the most fulfilling is just the simple fact that family...there's a place for my kids to come back and experience what I have, and really to me there's no greater joy than to see our little grandkids that are starting to grow up, to be able to see them out there doing what my kids did and, y'know, what I did prior to that. To me that's the most fulfilling.

BH: Yeah, that's great, and I'm sure they like it as well. Am I right?

PK: Yeah. Yep.

BH: From what I've seen here—

PK: Yep. Y'know, if they choose not to, that's fine too—

BH: Mhm.

PK: --but I think it's a good experience.

BH: They at least have that experience.

PK: Right. My dad always told me that it builds character, if nothing else.

BH: Yeah, that's great. Anything you'd like to say to the listening audience here, any advice you'd like to give, anything you'd like to say?

PK: Oh, I can't really think of anything, other than, it's been a wonderful journey for our family, and I think there's probably a lot more journeys out there for other families and if you have the desire, I would encourage you to pursue it.

BH: Paul, it's been a real pleasure to speak with you, and also it's been a pleasure for me to spend time on your farm, to get to know you, to get to know Matt, the rest of your family, the rest of the people who work here, to see how the operation is run, and I've enjoyed it, I hope I'll be welcomed back, because I really want to come back, and I want to bring my wife and children up here and show them—

PK: Sure, sure.

BH: --the farm sometime.

PK: Yeah, no, it's been a pleasure being able to work with you, and I hope this can benefit somebody else.

BH: I'm sure it will. And, so, anyway, thank you again on my part, now I need to tell you a little bit about what's going to be taking place here with the interview. And, the process of transcribing the interview may take a while. We, meaning Eastern Illinois University will be sending you the transcription in the mail, with directions about how to make changes. We will look forward to sharing the information you are willing to share with the general public via Eastern Illinois University's The Keep - that's the digital archive I told you about - and the information will also be linked to EIU's Past Tracker, which is a digital archive of Illinois primary documents. We will look forward to remaining in contact and sharing progress about this documentary project as it continues to develop and as we produce additional websites and documentaries about the evidence we find. And on behalf of Eastern Illinois University and Professor Reid, this time, I would like to thank you also for being part of the project.

PK: Thank you.

BH: Okay. Thank you very much, Paul.

PK: You bet.