

PREP School for Profit

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It's not cool to lose money while keeping to tradition. Nor is it cool to gamble on poorly adapted Angus cattle on humid Southern ranches in the summertime. What is cool, however, is the opportunity to learn how your cattle perform with thousands of half-siblings in a feedlot, and breed up to a higher percentage, home-grown Angus herd.

The Producer Revenue Enhancement Program (PREP), formed by Camp Cooley Ranch (CCR), Franklin, Texas, with Irsik & Doll Co., Cimarron, Kan., is the source of this cool breeze.

PREP is as much an information enhancement program as anything else, but that's a close kin to profit these days, says Charles Crochet, vice president of sales and marketing at CCR. "The idea came from our goal of eliminating as much of the unknown as possible in this business," he says.

Details were hammered out early last year, after Crochet attended a Certified Angus Beef LLC (CAB) "Brand Builders" seminar in Waco, Texas, and put in a call to Ron Kramer, customer service director at Irsik & Doll. The cattle-feeding and grain company operates five CAB-licensed feedlots in southwest Kansas, including Irsik & Doll Feedyard at Garden City, where the PREP cattle are fed.

Kramer flew to Houston at Crochet's invitation and met with several of the CCR staff, then returned on later trips to the ranch, which is northwest of Houston. That's where he met Klaus Birkel, the German



► Klaus Birkel, a German businessman, shown here with wife Bonnie (center and right), bought Camp Cooley Ranch in 1991. Also shown is Charles Crochet, CCR's vice president of sales and marketing.

businessman who bought CCR in 1991, along with the whole Brinks Brangus herd, previously owned by Glenn Brinkman. Since then, CCR staff have adapted Angus and Charolais cattle to the 11,800-acre ranch as well.

Set against a backdrop of lush grass, live oaks and deep red soil, a plan had been taking shape, one that could change the cattle industry. "We're investing in the future," Crochet says. "We don't feel that we can maximize our profit, or our customers' profits without initially making a significant investment."

Birkel has a history of successful and patient investment. In a sense, he had been waiting for a shot at ranching his whole life. He learned of the availability of CCR, named for a Confederate camp, while on a hunting trip in Texas. With one look, Birkel saw everything he had dreamed of while growing up in Germany, even before he developed the business skills

that built Europe's third-largest pasta company.

The cattle business intrigued Birkel, now a voracious reader of industry publications. He regularly brings articles on new ideas to the monthly CCR management meetings for thorough discussion. "Forget about thinking outside of the box," he told his staff early on. "Throw it out entirely!"

Kramer noticed right away that these folks were serious about gathering and using information. Every machine had a spot, routine and monitored maintenance schedule; all medication and feeds were meticulously logged. This thoroughness crossed into the genetic side of the business as well, laying the foundation for PREP.

A Texas ranch
and a Kansas
cattle feeder
join forces to
develop a program
to give customers
more information
and, therefore,
more profit.

The CCR team toured the Kansas feedlot last year and met with Irsik & Doll CEO John Petz (who later reciprocated by visiting CCR), as well as CAB Feeder-Packer Relations Director John Stika. Precision management and marketing were tops on the agenda; everyone agreed grid marketing would be a good fit for PREP.

The idea

This is one of those win-win deals, elevated to new heights. PREP lets CCR genetics customers realize the true value of their calf crops through flexible retained-ownership or buy-back options.

"This is the beginning of sharing of our ideas and information from every phase of production, from concept to the meatcase," Crochet says, drawing attention to beginning at concept, not conception. "This has not happened on a large scale to date," he notes, "and it must happen if we are to be

Cooperating
to Get Information

competitive with pork and poultry.”

PREP participation requires a team attitude, but the rewards can make greater cooperation inviting.

Commercial producers consult with CCR staff and choose bulls, the progeny being eligible for the program whether they are headed for the Irsik & Doll Feedyard or kept as “herd building” replacement heifers.

Crochet, a former American Angus Association regional manager, believes in the use of ultrasound data. However, he doesn’t believe that’s enough to guide the CCR program. The combination of adding progeny testing and DNA analysis holds greater promise.

CCR staff began collecting blood on bulls sold from the ranch last year, including 100 registered Angus bulls. The samples are stored at the offices of a DNA technology firm in Texas, which also houses a library of samples from customers’ steers and heifers produced from CCR bulls. Kramer confirms that all of the CCR and PREP steers fed at Irsik & Doll are having blood drawn.

A quick computer sort at harvest shows the top and bottom 10% of each pen by carcass value, and the respective blood samples are DNA-tested to determine sires. Samples on the middle 80% remain in storage for possible later analysis, and their individual detailed carcass data goes into the growing CCR progeny database. The information is provided to CCR customers free of charge, along with interpretation and advice — even if they sell 100% interest at weaning.

There will be 3,000 head of CCR-sired cattle in Irsik & Doll yards by year’s end, Crochet says. “The goal is to convey at least 7,500 head into their lots next year, have the cattle grouped by known genetics on the sire side, and have electronic data on each animal,” he explains.

► Ron Kramer, customer service director at Irsik & Doll, noticed right away that Charles Crochet and Klaus Birkel were serious about gathering and using information.



To make it work

In order to generate the number of animals needed to make this program successful, cooperator herds are key. Today, there are more than 20 herds working with CCR. Ideally, Crochet sees cooperator herds focusing on

different segments, one on female development, another on a terminal cross and so on.

“We consult with cooperator herd owners and recommend bulls,” Crochet says. “It is critical that those people have similar goals to ours. They must be dedicated



► Details of the Producer Revenue Enhancement Program were hammered out early last year, after Charles Crochet, vice president of sales and marketing for CCR, attended a Certified Angus Beef LLC “Brand Builders” seminar.

to gathering information and improving the quality of their cattle.”

PREP cooperators range from herds of several thousand cows in Florida to those just getting established in other areas of the South. J.D. Rankin and son Dennis, Canton, Miss., represent the latter category.

“We had horned Herefords for a long time, but this is cotton country and cattle got in the way,” J.D. says. “Then 25 years ago when we sold bulls for \$400, we quit the registered business and just kept a little crossbred herd of 75.”

That was until the last couple of years when the Rankins decided to concentrate on management-intensive grazing. They acquired 135 “Brahman to Brangus” cows that were bred to Angus and generated 60 heifers that were artificially inseminated (AIed) to a CCR Angus sire.

“We bought five Camp Cooley bulls last March,” Rankin says. “We’re heading for a higher Angus percentage, to where you can hardly tell they have any Brahman in them.” Currently the Rankins own six registered Angus bulls, but also have three Brangus, three Charolais and a Gelbvieh for terminal crossing.

On the right road

“The way the market is going, you have to know your carcass data,” Rankin says. “That’s why we went with Camp Cooley Ranch. We think we’re on the right road, but we need another year or two of going down this road.”

Naturally, the Rankins look forward to getting data back from PREP. “We want to aim for the *Certified Angus Beef*[®] premium,” he says. “Our goal is to feed, and we think it pays if you have that superior product.”

Data will guide their expansion as they AI another 100 heifers to the same CCR Angus sire and fill the ranch at 450 to 500 pairs. “Then our

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project is to cull cows,” Rankin says.

Whether from Mexico, Mississippi or Florida, Kramer says, “Camp Cooley cattle feed well.” So well that he was moved to write Crochet after a steer closeout last winter. It was remarkable because, as of February, it was the most profitable pen of cattle fed at the Garden City feedyard since the Sept. 11 terrorist attacks in New York City and Washington, D.C.

“Fed through one of the worst market times in recent history, they still returned at \$39.65-per-head profit,” Kramer wrote. Besides the \$25.85-per-head carcass premium, the cattle “out fed” a local 38-yard average, converting at 5.2 pounds (lb.) of dry matter per pound of gain. Citing a dressing percentage of 64.74 on those steers, compared to the U.S. Premium Beef (USPB) top-25% average of 64.43, he wrote, “Camp Cooley cattle not only stand out in feed efficiency, but beat the average of the very best for red meat yield.”

As PREP builds a database,

Kramer sees another potential use besides genetic improvement — establishing a basis for grid marketing with packers. “You can’t go in ahead of the data and ask for a Camp Cooley grid,” he says. “They don’t know what you have or if there is any consistency. But Camp Cooley will soon know enough to sit down and talk.”

Not surprisingly, CCR registered cattle sell well, too. At last year’s production sale, 260 buyers purchased 305 bulls averaging \$3,400. Crochet expects demand to increase steadily as PREP points out the value, and that in turn will grow the program.

A cool future

In July and August, CCR cattle will be anything but cool. With temperatures soaring to more than 100° F, compounded with 80% humidity, cattle must be heat-tolerant. Angus can thrive here, but not just any Angus, Crochet says. “We’re trying several lines and gathering information on what works here.”

Angus have been selected for short hair among other traits

that help them in the central Texas climate. CCR considers its three-breed program the best around and getting better. Cattle manager Ken Hughes had developed the Brangus herd under Brinkman’s ownership, and he is known for adding the kind of muscling that excels in red-meat yield.

The Charolais and Angus were added to the base herd in 1996. “By running three different breeds on the same ranch, we can appreciate and fully incorporate each breed’s strengths into our overall program,” Crochet says.

CCR’s vision is of an industry comprised of few breeds. Crochet is confident that the Angus herd will continue to grow and become an even larger part of the operation, “especially for our customers who want to aim at that CAB target.” Meanwhile, PREP will increase the market share for CCR and its customers because they will “have the information everyone else wants,” he says.

The CCR embryo transfer (ET) center regularly flushes 80-100 cows, producing 2,000

embryos per year. The 1,400 registered cows are AIed once, then turned out with cleanup bulls. With the 500 recipient females, this seedstock herd comprises most of the cattle on the 4,000-animal-unit (AU) ranch.

Angus bulls are sold across the United States, and the other breeds supply international operations that share common ownership with CCR. Those joint ventures are in Mexico, Brazil, Argentina and Bolivia, and the next one is taking form in Australia. By 2010, more cattle will be produced and merchandised at those locations than at the U. S. location.

The latest idea at CCR is early weaning 60- to 90-day-old calves, going directly to a feedlot and achieving up to a 2.5:1 feed conversion for \$80 per head cost to produce. “The concept is in the early development stage,” Crochet says. It’s being tested, data is being gathered and the information weighed, along with the pounds and profits.



► **Above:** CCR staff began collecting blood samples on bulls sold from the ranch last year, including 100 registered Angus bulls. The samples are stored at the offices of a DNA technology firm in Texas, which also houses a library of samples from customers’ steers and heifers produced from CCR bulls. A quick computer sort at harvest shows the top and bottom 10% of each pen by carcass value, and the respective blood samples are DNA-tested to determine sires.