

Proceed With Caution

Feeding Quality Forum presenters prep cattlemen for curves ahead.

by **Miranda Reiman**, Certified Angus Beef LLC

In a cyclical business, when you're riding the good times, it probably means you're not far from the bad ones.

So it is with the cattle business, said Dan Basse, president of Ag Resource Co., as he kicked off the Feeding Quality Forum in La Vista, Neb., and Garden City, Kan., in mid-August.

"It's not like the mid-1980s, with land values collapsing. It's more like a slow bleed," Basse said of the general "downturn" in agricultural commodities. Ag equipment sales have slowed, land prices are going down, and grain trade has softened as the dollar strengthened.

The cow-calf business is still poised for profit for the next couple of years, but Basse shared a tale of caution beyond that.

"You've got to make sure you're around for when the good times are rolling again," he said.

Embrace and prepare for change was also a theme that Marilyn Corbin, Zoetis veterinarian, delivered to the cattle feeders and allied industry in attendance.

She provided a history of the veterinary feed directive (VFD), decoding the legal language for the policy that goes into effect Jan. 1, 2017.

"They want your veterinarians involved to decide when and how to use antibiotics," Corbin said. "To make this process work, we're going to have to have communication among everybody."

That means establishing relationships with a veterinarian and a nutritionist, and making sure they work together.

During the last several decades,

"You've got to make sure you're around for when the good times are rolling again."

— **Dan Basse**



collaboration has become more common in the beef business, said Industry Achievement Award honoree James

Herring of Friona Industries.

"If you follow the alliance philosophy, if you are aligned with your partners in philosophy, you will have a solid future," he said, noting that approach has helped the feeding giant better meet consumer demand.

Beef eaters not only want a higher-quality, more consistent product, but they also want to know that animal welfare is a top priority.

Terry Mader, Mader Consulting, challenged feeders to look at ways to increase cattle comfort during both heat and cold stress.

"They are doing a lot better job today than we were 20 to 25 years ago," said the University of Nebraska professor emeritus. Mader offered practical ideas for monitoring animals during weather events and to mitigate environmental stress.

"If I'm going to do one thing, just get more water space in that

pen," he encouraged.

If Galen Erickson, University of Nebraska animal scientist is going to do one thing, it's feed cattle longer.

"With corn prices and cattle prices where they're at today, there is an incentive to feed them longer," he said, sharing the numbers as proof.

One study compared cattle finished for 142 days with 163 and 185 days on feed (DOF). Going from that shortest feeding period to the longest increased carcass weight by 80 pounds (lb.) and profit went from virtually none to \$54.11 per head.

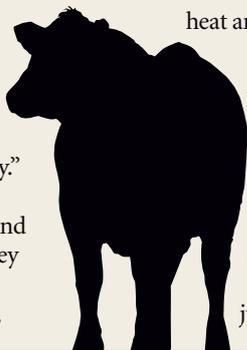
How long is too long? Erickson said they need more research, because they haven't found the ceiling yet.

"Our job is to test the limits so you don't have to," he said.

Panelists at both locations also shared experiences in hopes that feeders could learn without having to do all the "trial and error" themselves.

Risk management was the topic, and the Nebraska session featured Doug Deets of Buchanan & Co., Marshall Hansen of Farm Credit Services and Scott Mueller of Samson Commodities.

"If we're not managing not only the sales price of our animals but also the feed costs



Feeding Quality Forum



► **Above:** Zoetis veterinarian Marilyn Corbin provided a history of the veterinary feed directive (VFD), decoding the legal language for the policy that goes into effect Jan. 1, 2017.

► **Right:** Risk management was the topic for the Nebraska panel featuring Doug Deets of Buchanan & Co., Marshall Hansen of Farm Credit Services, and Scott Mueller of Samson Commodities.

and the other things that will get us to the point of selling that animal, then a lot of times all you've done is take a position in the market," Hansen said. "All you've done is lock in one piece of the market. We've had people get hurt on that as much as almost anything else."

In Kansas, attendees heard from Herring, W. Ashley Allen with Bank of America/Merrill Lynch and Brent Manwarren of Poky Feeders.

Mistakes in risk management are not uncommon, Manwarren said: "Fear and greed happens to us in all levels of society."

Although the day focused on overcoming many challenges, Mueller closed by highlighting the bright spot.

"We still have consumer demand," he said, drawing on his restaurant experience and



noting beef is on an island compared to other proteins. "There is really an enjoyment when people have beef, and I think that gives us an opportunity to weather some of these storms and keep that island intact, so long as we continue to produce a high-quality product."

The Forum is co-sponsored by Purina

Mills, Zoetis, Roto-Mix, Micronutrients, *Feedlot* magazine and Certified Angus Beef LLC (CAB).



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