

# Excelling IN THE BLACK



PHOTOS BY STEVE SUTHER

## A Northwestern producer's effort to hit the CAB® target builds premiums, networking partnerships.

by *Kim Kanzler Holt*

**J**immy Thomas's goal is to produce the best genetics in his commercial herd to qualify for the *Certified Angus Beef*® (CAB®) brand. After finishing his cattle the last two years, the Idaho and Oregon producer discovered he was on the right track, and far ahead of national averages. Both years all of his steers made the Thirty-Aught (30-0) Program, where at least 30% of sale groups qualify for CAB, with no discount carcasses.

Thomas has attributed his success in producing a high percentage of cattle that meet CAB specifications to the relationship he's built with his bull supplier and cattle feeder.



### A solid foundation

Starting out, Thomas concentrated on a solid genetic foundation. He built up his 200-head Angus base from just a few cows, including 30 head from a retiring seedstock breeder in his area. Thomas keeps about 35 replacements annually, looking for medium-frame cattle with good dispositions out of mothers with good udders. These are bred to balanced-trait bulls.

He started looking at carcass traits two years ago, when he began finishing his own cattle at Boise Valley Cattle Feeders LLC, Parma, Idaho. Thomas selects bulls with positive expected progeny differences (EPDs) for marbling and ribeye area (REA), but he's careful to point out that's not the sole criteria. He looks at pedigree, eye appeal, performance, birth weight, and EPDs for milk, weaning and yearling, too. The bulls also have to travel well, because they are expected to breed cows in eastern Oregon's high-desert country.

Thomas selects bulls exclusively from the David and Carol Medeiros family's Rancho Casino, near Denair, Calif., and has for the last seven years. In 2000 and 2001, he bought SAF Fame sons — half of his bulls are now half brothers — and he plans to buy SAF Focus of ER sons this fall.

The purchases are yearling to long-yearling bulls with both calving ease and performance. The idea is to buy bulls that work on heifers for two seasons before spending a final two seasons on cows. Thomas stays with these Angus lines, he says, because he likes the results, especially evident since he began finishing his own cattle.

► Above: Knowing how his cattle perform and grade gave Jimmy Thomas the confidence to enter steers from his 2001 calf crop in the Best of the Breed (BoB) contest.

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“They (the Medeiros family) think the same way I do in the cattle business,” he says. “I like their cattle, and I like them. It’s kind of hard to beat that.”

Medeiros understands that for customers like Thomas — who are looking for top-quality genetics — fertility and soundness still have to come first. He expects his young, growing bulls to regain flesh without a lot of feed, so they’re ready for his customers to use the second year.

On top of all other bull requirements, Thomas likes to see a good average daily gain on test from weaning to yearling, Medeiros says, which helps explain why the Thomas cattle feed so well.

“For a commercial cattlemán, he wants to produce a real good product,” Medeiros comments. “He does his homework — he might study our bulls’ information more than I do to make his selections.”

### Backgrounding

Along with the commercial herd, Thomas, wife Sarah and son Kenny, raise their own feed

on a 400-acre farm near Homedale, Idaho, where they background 200 purchased black-hided cattle each year.

**“They grade a very high percentage Choice and generally bring back \$3 per hundredweight to \$5 per hundredweight over the Cattle-Fax average because of the genetics.”**

**— Shane Berquist**

The cows graze native grass and irrigated pastures near Burns, Ore., about 165 miles to the west, where Thomas and 18 others hold shares in a 24,000-acre cooperative ranch. Cows stay there under a local manager’s care from the first of April until Thanksgiving, when they return to Homedale and winter on crop residues and as little hay as possible.

By then, the calves have already been home for weeks; they are trucked home in early October for processing and lot backgrounding for four months. The calves experience little stress when they return, because they also return to the same chopped hay, silage and water tanks they fed and watered on with the cows for one week between branding and shipment west.

Thomas grows his own calves and the calves he buys to 800-pound (lb.) weights. He typically implants all steers, but last fall he tried implanting only purchased cattle to see if there was an effect on quality grade. Mid-February had always been market time, but getting feeding and carcass data on sold cattle wasn’t easy.

The information Thomas did get, however, was encouraging. Another confidence booster was knowing that cattle bred and owned by David Dal Porto, Brentwood, Calif., were doing extremely well at Agri Beef’s El Oro Cattle Feeders in Moses Lake, Wash. These were closely related to the Thomas cattle.

Rancho Casino and Dal Porto Livestock have used similar artificial insemination (AI) sires and herd bulls in partnership for about eight years.

### Testing the waters

That combination of not knowing for sure, yet feeling confident in what he did know spurred Thomas to test the waters and finish his own cattle.

In 1999, he retained full ownership in 50 of his best steers at Agri Beef’s nearby Boise Valley Feeders, a Certified Angus Beef LLC (CAB) feedlot partner. Thomas says he was pleased with the 3.9-lb. average daily gain (ADG); 8.7% Prime, 87% Choice and 65% CAB; 39% were Yield Grade (YG) 1s and 2s. There were no YG 4s.

Feeding more cattle in 2000, he retained 75% interest in 133 head of Thomas steers and heifers. The steers posted a 3.4-lb. ADG with 8% Prime, 83.7% Choice and 33% CAB. More than half were YG 1s and 2s. Again, there were no YG 4s. As in 1999, all steers won CAB 30-0 recognition. Thomas’s 47 heifer-mates graded 88% Choice or



► Jimmy Thomas is retaining full ownership in the cattle he will finish this year — steers and any heifers that don’t sell as premium replacements.



better and 42% qualified for CAB.

Medeiros says the main challenge for Angus cattle is achieving high quality without YG 4s. “That’s probably the thing we need to work at the hardest. Most of the Angus cattle will grade very acceptable. But a person just can’t afford to feed very many Yield Grade 4s. They eat up all your premiums for the quality.”

### Shooting for a premium

Thomas is retaining full ownership in the cattle he will finish this year — steers and any heifers that don’t sell as premium replacements. “If I can’t get steer price out of my heifers then I will finish them,” he explains. By feeding them out, “most generally I end up getting the steer price if I pencil them back to the 800-pound weights.”

Aiming for high quality and performance, Thomas will feed only his own cattle. The calves he purchased and fed in 2000 performed well above industry averages, but they were far behind his own. This firsthand demonstration of the importance of proven genetics led to the current plan of reselling purchased cattle at 800-850 lb.

Thomas does buy calves from one herd of known genetics, but most still come from the sale barn. Although his buyer procures “good, black-hided calves,” Thomas doesn’t know their genetics, health history or handling. He’s not convinced of calves’ health status if it’s only announced on the sale block — he wants to see a visual sign, such as a program ear tag. The calves Thomas buys are healthy, but the added stress of the sale barn causes him to doctor those cattle a lot more than his own.

Last fall, he certified all of his own steer calves in the Merial® SureHealth™ program, setting them up for more potential



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premiums in the Best of *the* Breed Angus Challenge (BoB). CAB is a founding sponsor of the contest, which has a top prize of \$100,000 and additional prizes for top pens fed in CAB feedlots. Merial will add a \$100,000 bonus if the winning pen is SureHealth-certified.

### A feeding partner

Another contributor to Thomas’ success in achieving a high level of CAB acceptance is Boise Valley Cattle Feeders, just 25 miles away.

The business relationship was established before Thomas started feeding cattle there. He sold Boise Valley corn and wheat for several years, even before it became CAB-licensed in 1999.

“My goal was to get into a CAB program, and when they [Boise Valley] became a licensed CAB yard, that was an opportunity,” Thomas says.

Agri Beef-owned feedyards are the only licensed CAB feedlots in the Northwest. Boise Valley was a 2001 national CAB Top Volume Feeder award winner, second only to El Oro in producing cattle qualifying for CAB.

Boise Valley manager Shane

Berquist visits Thomas’s operation several times a year; the rancher calls Berquist about once a week and regularly stops by the feedyard. “I’ve spent the last couple of years familiarizing him with the Certified Angus Beef Program and feeding his cattle,” Berquist says.

**“Everybody claims to have carcass data, but fortunately we have a lot of actual data. It gives you a little more legitimacy.”**

— David Medeiros

Thomas also spent time at the packing plant when his cattle were harvested and graded, so he can better understand the U.S. Department of Agriculture (USDA) grading and CAB-qualifying processes.

### Driven to excel

The way Berquist sees it, Thomas is driven by two fires: “He has a desire to produce

calves that work in a cow-calf operation, and he also has a desire to produce a consumer-friendly product that he’s proud of.”

Feeding such cattle is good business for Boise Valley. “As far as daily gain and conversion, the cattle do really well,” Berquist says. “They grade a very high percentage Choice and generally bring back \$3 per hundredweight (cwt.) to \$5 per hundredweight over the Cattle-Fax average because of the genetics.” One pen of 80 steers brought back a per-head premium of more than \$67.

Berquist doesn’t experience — or expect — any health-related problems with Thomas’s calves. They are weaned, prevaccinated, accustomed to the feedbunk and water tank, and on a ration similar to the one fed at Boise Valley.

Medeiros credits Thomas’s backgrounding management that gets calves off to healthy postweaning gains, and his overriding quest for uniformity. “I think that’s part of his selection,” Medeiros comments. “Even though he’s changing sires at different times, he’s selecting for the

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same traits and is looking at the cattle, too.”

For his part, Thomas gives credit to Boise Valley’s staff. Berquist explains the team approach, pointing out Nate Gilliam’s focus on cattle marketing.

“Each morning he spends about five hours sorting market-ready cattle, and a lot of time visiting with customers,” Berquist says. Tanya Hartung, another CAB quality assurance officer, handles all recordkeeping for the CAB Program, which also entails customer service.

“They build relationships with different individuals,” Berquist says. “That makes the customer feel closer to the feedyard.”

Thomas says the feedyard’s pen size is another plus. Many are designed for 80-100 head, so CAB-eligible cattle can be sorted and sent to harvest in groups, as they are ready. The Thomas cattle typically undergo two sorts in the course of marketing.

Every new customer worries about the unknown, but for Thomas, all news was good

news. “He was really happy to see that he had been headed down the right road,” Berquist says. “Now he has great tools to further that.”

Knowing how his cattle perform and grade gave Thomas the confidence to enter steers from his 2001 calf crop in the BoB contest. To be closer to the required Farmland National Beef harvest facility, he sent those cattle to another Agri-Beef CAB partner yard, Supreme Cattle Feeders LLC, in Liberal, Kan.

### Sharing information

Thomas isn’t the only one who benefits from his cattle-feeding ventures. He shares the information with his bull supplier. “The better the bulls that I buy from them, the better my calves will be,” Thomas explains. And Medeiros wants to know how Rancho Casino sire progeny perform for customers, to determine if their sire selection is on track.

The testimonial of success is a valuable marketing tool for the seedstock ranch, and Rancho Casino uses the Thomas feedlot and carcass data in bull sale advertisements and catalogs.

“It’s good to have a customer whose calves are feeding well and all sired by Rancho Casino bulls,” Medeiros says. “Everybody claims to have carcass data, but fortunately we have a lot of actual data. It gives you a little more legitimacy.”

Thomas says he’s learning more about pedigrees, and he is making better-informed bull selection decisions.

Feed efficiency and carcass results continue to confirm that Thomas’s program is right on track, right where he thought it was.

The industry’s future lies in cattle that feed and perform well in every way. “I think that’s where we’re headed,” Thomas says. There may not always be a premium for the good cattle, he adds, but there will certainly be discounts for those that do not perform.

On the way to tomorrow, Thomas follows the track that leads to the destination product, *Certified Angus Beef*® brand. Balanced-trait selection and superior management merge with networking partnerships and a certain attitude for excellence with profitability to guide his program into the station.

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► Above: The main challenge for Angus cattle is achieving high quality without YG 4s, says David Medeiros, shown with his wife, Carol. “That’s probably the thing we need to work at the hardest. ... A person just can’t afford to feed very many Yield Grade 4s. They eat up all your premiums for the quality.”



► Right: Shane Berquist of Boise Valley Cattle Feeders is another contributor to Thomas’s success in achieving a high level of CAB acceptance.