Aim HIGH

Dakota rancher finds cows that thrive under least-cost management and calves that perform well in the feedlot and on the rail — all within the business breed.

Story & photos by ***Raylene Nickel***

Making money isn't the main reason Ted Sailer is in the beef business. Like other ranchers, he raises cattle because he loves the work, the challenges and the lifestyle. But as a young beef producer aiming for a long future in the business, profitability is his goal, too. To sustain a future, Sailer expects — and achieves — an annual rate of return competitive with Wall Street stocks. His game plan requires cost effectiveness from every corner of his operation.

Breeding Angus cattle with balanced traits is at the heart of Sailer's strategy. "We want to select for cattle that perform in a low-input environment, have good feedlot performance and quality carcasses," says Sailer, who ranches near Lodgepole, S.D. "The Angus breed gives us the best all-around package to accomplish our goals."

To keep his cow herd operating well in the black, Sailer aggressively strips cost from his production system, selects easy-doing cows and chooses top herd-sire genetics for both natural and artificial insemination (AI) programs. To capitalize on those tactics, he retains ownership of feedlot cattle and gets performance and carcass-quality information back by working with a Certified Angus Beef LLC (CAB) licensed feedlot.

Switch to Angus

The first major step in trimming production costs from his 600-cow herd came in the spring of 1992 when he switched from Charolais to Angus sires. At the same time he shifted the calving season from February and March to April and May, and in 1998, to May and June.

Sailer's father, Gerry, a partner in the operation, says, "Years ago it was our goal to wean as big a calf as we could. We used Charolais sires, calved in February, creep-fed the calves and weaned in November."

But the Sailers found that this production system was expensive to maintain. Feeding hay to cow-calf pairs through late winter and early spring was especially costly. They suspected the operation would be more profitable by calving later and selecting for cows that thrive on a straight forage diet — aiming for moderate weaning weights and top feedlot performance.

The switch paid off. "We cut our harvested feed and supplement cost by 50% just by switching to May-June calving from April-May," Ted says. "Going back to the days when we calved in February, we have probably cut harvested feed and supplement costs more than 85%."

As much as possible, the Sailers winter cows on range left ungrazed most of the summer. To cut hay-harvesting costs to the bone, they simply buck forage swaths into small piles 10 feet (ft.) by 5 ft. high and strip-graze the meadows in winter. A small "emergency supply" of round bales gets the herd through spells of bad weather.

Selecting for easy-doing cows is key to making the strategy work.

"Since our production system requires cows to survive and rebreed with minimal supplemental feed, our cows have to be easy-fleshing," Sailer says.

"They have to use low-quality forages efficiently during the winter to maintain condition score, raise a healthy calf born in the late spring and rebreed on schedule during late summer.

"Cows that do well in our system usually have moderate milk EPDs (expected progeny differences)," he says. "Even though they usually have lighter weaning weights, we find that calves from our lower-milking cows have better feed efficiency in a backgrounding program or on summer grass than calves from our heavier-milking cows. We also want to select for cattle that will produce offspring with good yearling growth and high-quality carcasses."

Finishing calves

The Sailers typically retain 50% ownership during the finishing phase in a CAB-licensed feedlot. Depending on weather and markets, they send calves to the feedlot after backgrounding or as long-yearlings off grass in August. "An enormous benefit we've received from participating in [CAB] progeny carcass testing has been the information we've received back on our cattle, including individual data we can trace back to our cow herd," Sailer says.

So far, the information shows their breeding program is on track. Average daily gain (ADG) for steers placed in the lot after backgrounding has averaged 3.77 pounds (lb.) since 1996; gain for steers placed in the lot as grass-fed yearlings averaged 4.53

►**Above: "Since our production system requires cows to survive and rebreed with minimal supplemental feed, our cows have to be easy-fleshing," says Lodgepole, S.D., rancher Ted Sailer. "They have to use low-quality forages efficiently during the winter to maintain condition score, raise a healthy calf born in the late spring and rebreed on schedule during late summer.**

lb./day in 1997 through 2000, with that first year's crop gaining 5.04 lb./day.

Carcass quality grade has averaged 81% Choice or above for yearling steers and heifers and 76% for the steers that were backgrounded. Yield Grades have been from 2.5 to the low 3s. Their *Certified Angus Beef*® (CAB®) acceptance rate ranged from 23% on some prior backgrounded steers to nearly 33% on yearling heifers, bringing premiums of $3-$4.50/hundredweight (cwt.).

"The Sailers' cattle have excellent feeding performance as well as excellent carcass qualities," says Gary Darnall, manager of the CAB-licensed Darnall Feedlot at Harrisburg, Neb., where most of those cattle are finished. "They are the sort of cattle that we in the feeding segment of the industry really like."

Such cattle are not common, he adds. Not only do they gain and grade, but "their feeding performance includes feed conversion. The number of pounds of red meat we sell is still the most important factor [in profitability] because premiums for carcass quality don't make up for [lack of] gainability."

Genetics is the key to achieving both feeding performance and carcass quality, Darnall stresses. For that reason, the genetic decisions made by cow-calf producers determine the efficiency of the beef business at every level. "All other segments of the industry simply try to add value and maximize the genetic potential of the animal," Darnall says.

Sharing information

To get the genetics that will keep their cattle functioning efficiently on the ranch as well as in the feedlot, Sailer uses an extensive AI program.

"We recognize that no bull can do it all for us," he says, "but with AI we can use those 'one in a million' sires that come closest to 'doing it all.' We use sires that work well in the different phases of our production system as well as have acceptable carcasses. With Angus carcass EPDs and ultrasound-derived EPDs, one can get a pretty accurate idea of [progeny] carcass quality."

In addition to buying herd sires from a number of "other reputable breeders," the Sailers have purchased bulls and frozen semen from Performance Breeders, a partnership of Rollin' Rock Angus, owned by Bill and Jennifer Davis, Sidney, Mont.; and Hinman Angus, owned by Dave and Yvonne Hinman, Malta, Mont. Sailer particularly values the Performance Breeders' sires because they are selected for balanced traits. He says, "Their cattle perform on the range, in the feedyard and on the rail."

The Sailers' overall program, coupled with their willingness to share performance information, makes them a source of "real-world" information for the seedstock producers from whom they purchase herd sires or frozen semen. As a cooperator herd for the Angus Sire Evaluation Program, the Sailers supply Stevenson Angus Ranch, Hobson, Mont., and Performance Breeders with detailed information on the sires they use.

"The working relationship we have with the Sailers provides an information feedback loop," says Bill Davis of Rollin' Rock. "In order for seedstock breeders like us to get where we want to go genetically, we first have to know where we're at. The Sailers' willingness to share information has been very valuable to us."

Information gleaned from the Sailer herd has helped Davis establish feeding-performance and carcass-quality data on young sires used in the Sailer AI program. The information has added validity because of the Sailers' management and unwavering focus on profitability. "They run a first-class operation," Davis says. "They do a great job of selecting for balanced, economical traits."

Sailer says working with the CAB Program has helped in making friends and doing business. "We've made contacts through CAB that have been very beneficial to our program," he says. "A number of people have become familiar with our genetics and, as a result, we've been able to establish more market outlets for our cattle. We have also made some contacts that are extremely valuable sources of information to us." Networking is particularly important to the Sailers since they sell some of their replacement females.

It all adds up to sustained profitability for Ted Sailer. Because of that, he aims to build his investment in the beef business, and in a rural way of life, for many more years to come.

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