

Tapping Into Texas

Angus breeders look to the last great marketing frontier - the Southwest - for opportunities to sell their bulls.

BY MERRIDEE WELLS

The Southwest, Texas in particular, has been identified as one area of the country which still holds tremendous marketing potential for Angus seedstock.

Texas leads the nation in number of beef cattle and cow herd population. The Texas Department of Agricultural Statistics reported an inventory of 5.85 million cows in the Lone Star State on Jan. 1. Yet, according to American Angus Association records, in the last year just 1,372 head of Angus have been transferred to non-

members (commercial producers who buy bulls) within the state.

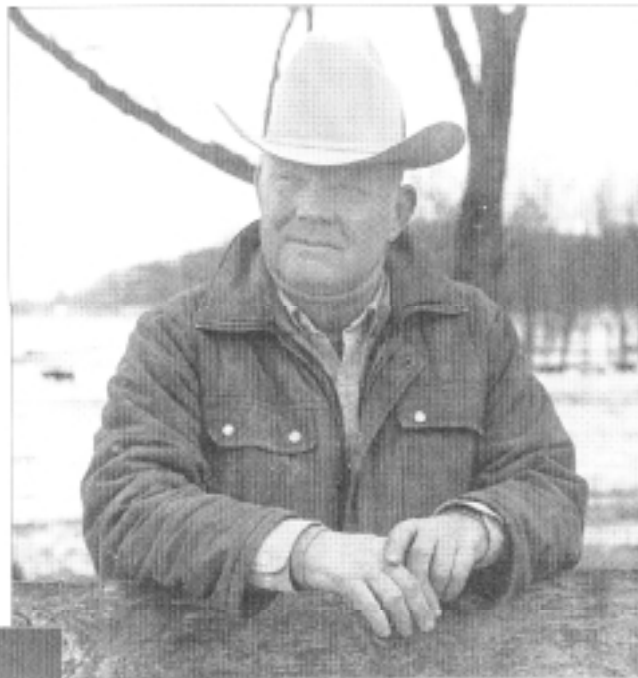
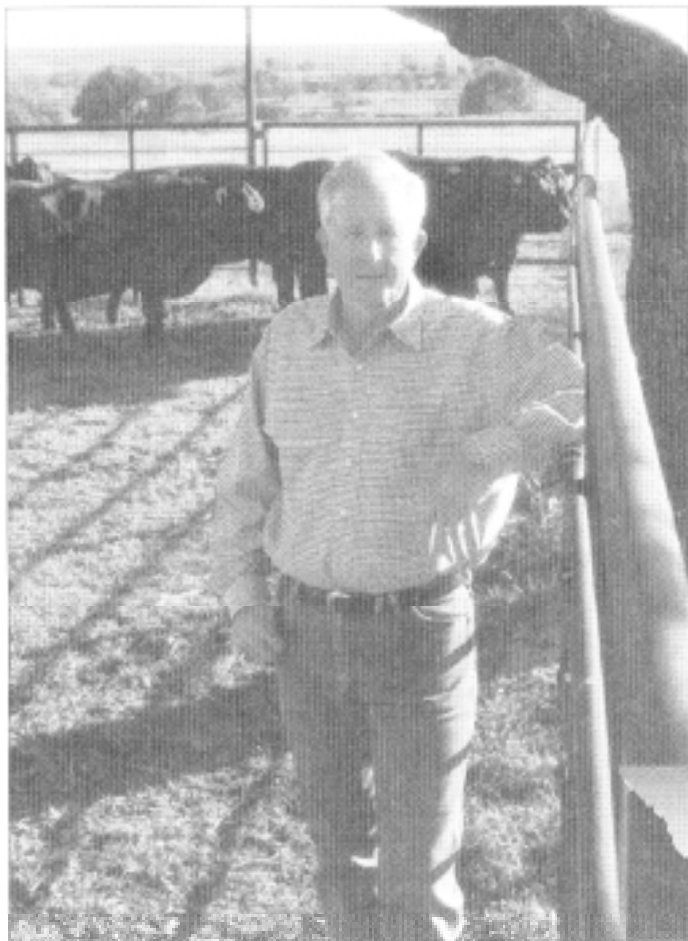
Due to the size and scope of this region, the vast numbers of cows and adversity of environments, it remains largely untapped as far as the Angus breed goes.

Recognizing an opportunity and capitalizing on this market is just what cattlemen like Tommy Donnell, Graham, Texas, are doing. Donnell has spent his life working within the beef industry. His family has ranched in west central Texas since 1876.

Donnell Ag Products, an animal health supply company, was established by Tommy and sold in 1991 to ConAgra.

Donnell began researching beef breeds in an effort to identify what breed would best fit the needs of commercial cattle producers in Texas. After serious study and some dirt kicking with fellow cattlemen, it became quite obvious to Donnell that he needed to become active in the Angus business.

In 1994 Donnell purchased his first cow and embryos from Wehrmann Angus. New



Tommy Donnell (left) of Texas and Richard McClung (above) of Wehrmann Angus in Virginia may live miles apart, but have found a workable partnership in marketing Angus bulls in the Southwest.

Market, Va. Here again, research played an important role in helping him select the program which he felt was producing the "right kind" of cattle for today's beef industry.

"More importantly," Donnell says, "were the people behind the program. I have nothing but respect for Nick Wehrmann and Richard McClung and all they accomplished. Their ability, work ethic and dedication to improving the Angus breed continues to impress me more and more all the time."

As Donnell became more involved in the Angus breed, he began receiving calls from long-time ranching associates or animal health customers seeking Angus bulls.

Unfortunately my program was not far enough along to supply the demand for Angus bulls which I was experiencing," explains Donnell. "About this same time I began thinking about a joint marketing program of some kind and the phone rang. It was Richard McClung. He wanted to talk about a joint marketing venture. I really can't say whose original idea it was, but it's been a good one."

Wehrmann Angus will produce more than 600 embryo transfer calves in 1997, which will give this breeder nearly 300 bulls to market, along with the need for expanded markets.

Approximately 12 bull sales are scheduled in Virginia each year, including Wehrmann's so McClung says it's unrealistic for them to expect to market more than 100 to 120 bulls. Wehrmann Angus needs another outlet and Tommy Donnell has answered that need.

In November of 1996 the first Wehrmann bulls arrived in Texas. Prior to coming to Texas the bulls had been gain tested on a high-roughage ration at the Wehrmann farm in Virginia. Ultrasound measurements and fertility testing was also completed before shipping.

Donnell utilized a yearling receiving and processing facility which was already set up on his ranch near Baird, Texas (15 miles east of Abilene) to receive and house the bulls. When the bulls arrived, Donnell gave them a full round of vaccinations, dewormed them and trained them to come to call, eat range cubes and work around a horse.

After processing, Donnell was ready to introduce the bulls to area cow-calf producers. He sent out invitations to an open house/field day. Producers were invited to view the bulls in Baird the



Mark Gardiner (center) of Kansas and Rob Brown (left) and his son, Donnell, of Texas, cooperatively market Angus bulls at the Brown's annual sale.

morning of the field day. Each attendee was supplied with complete information on the bulls, including pedigree, performance data, expected progeny differences (EPDs), ultrasound data for backfat, ribeye, and marbling, scrotal measurements and semen evaluation.

Following the viewing of bulls, Donnell hosted a lunch and seminar. As part of the program, Richard McClung familiarized those in attendance with the Wehrmann Angus program, breeding philosophy and goals. He was followed by a number of industry personnel who encouraged the use of Angus bulls as well as value-based marketing programs for producers who wanted to make positive changes in their programs.

Donnell sold 39 Wehrmann-bred bulls from November through December 1996. The arrangement will continue with the marketing of another 60 head which arrived the second week of February. He plans to sell 90 more head of Wehrmann bulls this fall in addition to approximately 75 head of Donnell Cattle Co. bulls.

This partnering-up, say McClung and

Donnell, is a win-win-win situation. "We were able to market the numbers we need to," says McClung, "Tommy is able to supply his demand and the commercial cattlemen are getting a good product at a fair price."

"It's extremely important that customers feel confident in the cattle," McClung adds. "We are fully guaranteeing the bulls. If adjustments need to be made, Tommy has the authority to replace or refund money on bulls."

While Wehrmann Angus has benefited by marketing larger numbers of bulls, some additional advantages have also been derived, such as expanding its news customer base in Texas.

"Since sending the bulls to Texas we've had more calls and inquiries from Texas about cattle than we've ever had," McClung says.

The Donnell-Wehrmann arrangement is not the only joint marketing venture tapping into Texas. Other ranching families have joined forces recently to establish and build marketing programs in the Southwest.

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Gardiner Angus Ranch, Ashland, Kan., has begun cooperative marketing programs with R.A. Brown Ranch, Throckmorton, Texas, and the Lust Family, Lazbuddie, Texas.

The R.A. Brown Family has been ranching in Texas since 1895 and has one of the largest annual bull sales in the state. Five breeds as well as three different composites are marketed here. The Browns need no convincing about the popularity of Angus cattle.

"We introduced Angus to our breeding program in 1988 because of their tremendous reproductive efficiency and carcass quality. Since selling our first bulls in 1990, we have seen a steady increase in demand for our Angus cattle," says Donnell Brown.

The Brown Ranch's commercial customers depend on them to provide genetics that will improve their calf crops, cow herds and ultimately their bottom line. "Quality Angus genetics can do just that, but we could not expand fast enough to meet our ever-increasing demand," Brown says.

Joint marketing several bulls from Gardiner Angus Ranch in the Brown's annual bull sale allows them to increase their supply without compromising quality. This led to the development of the Brown-Gardiner partnership cow herd this spring. With both of these ranch families focusing on customer service and complete customer satisfaction, they see this franchise herd as their best way to meet demand for Angus genetics in the long term.

"The commercial bull market is the main focus at Gardiner Angus Ranch," explains Mark Gardiner. "We want to continue to sell more and more Angus bulls, but our land and people resources are tapped out here. The partnering up arrangements with the Browns and the Lusts allow us to work with families who have similar goals to our own and who have a ready market, hungry for more Angus cattle."

Gardiner goes on to explain they want their genetics to be utilized beyond marketing boundaries. He believes these cooperative programs will allow expansion

while retaining the time-proven performance of their genetics.

"In no way do we want to give the impression we are carpetbagging the cattle ... we are not cattle brokers," Gardiner says.

The Browns and Lusts have a need to add larger numbers of bulls, which Gardiners currently have on hand, but the ultimate goal is to produce those bulls in Texas through the further development of cow herds.

Conversely, the Gardiners are working with Dr. James Lee, Raton, N.M. whose program has been designed to replicate the Gardiner's operation in a smaller form.

"I've purchased my base genetics from the Gardiner herd," says Dr. Lee. "I use artificial insemination exclusively on my cow herd and have an aggressive embryo transplant program, just as the Gardiners do. But I found my efforts were going largely unrewarded due to size of my operation (50 cows). I would get calls for bulls, but they wanted 15 or 20, not two."

The arrangement Lee has with the Gardiners allows him to send them his top bull calves at weaning, no matter the number. The Gardiners put them with similar age bulls at their ranch, raise them just as they would their own, and market them through their annual bull sale.

Lee's bulls possess only one thing the Gardiner bulls do not. Because they are raised in high elevation (6,000 feet), his bulls have had a Pulmonary Arterial Pressure (PAP) test for brisket disease and will be suitable for use in high elevations, something the Gardiners can't offer.

"Now, when I get calls for large numbers of bulls I refer those calls to the Gardiners, who have been able to expand their marketing to include operations in New Mexico," Lee says.

While these are just a few examples of on-going cooperative marketing programs which have been successfully managed, some important similarities are present in each arrangement.

The importance of promoting and maintaining "breeder" standards were stressed in every instance. In no way have the breeding and development programs been compromised in an effort to market cattle. The integrity of the people and the cattle are the strongest links to these partnerships.

