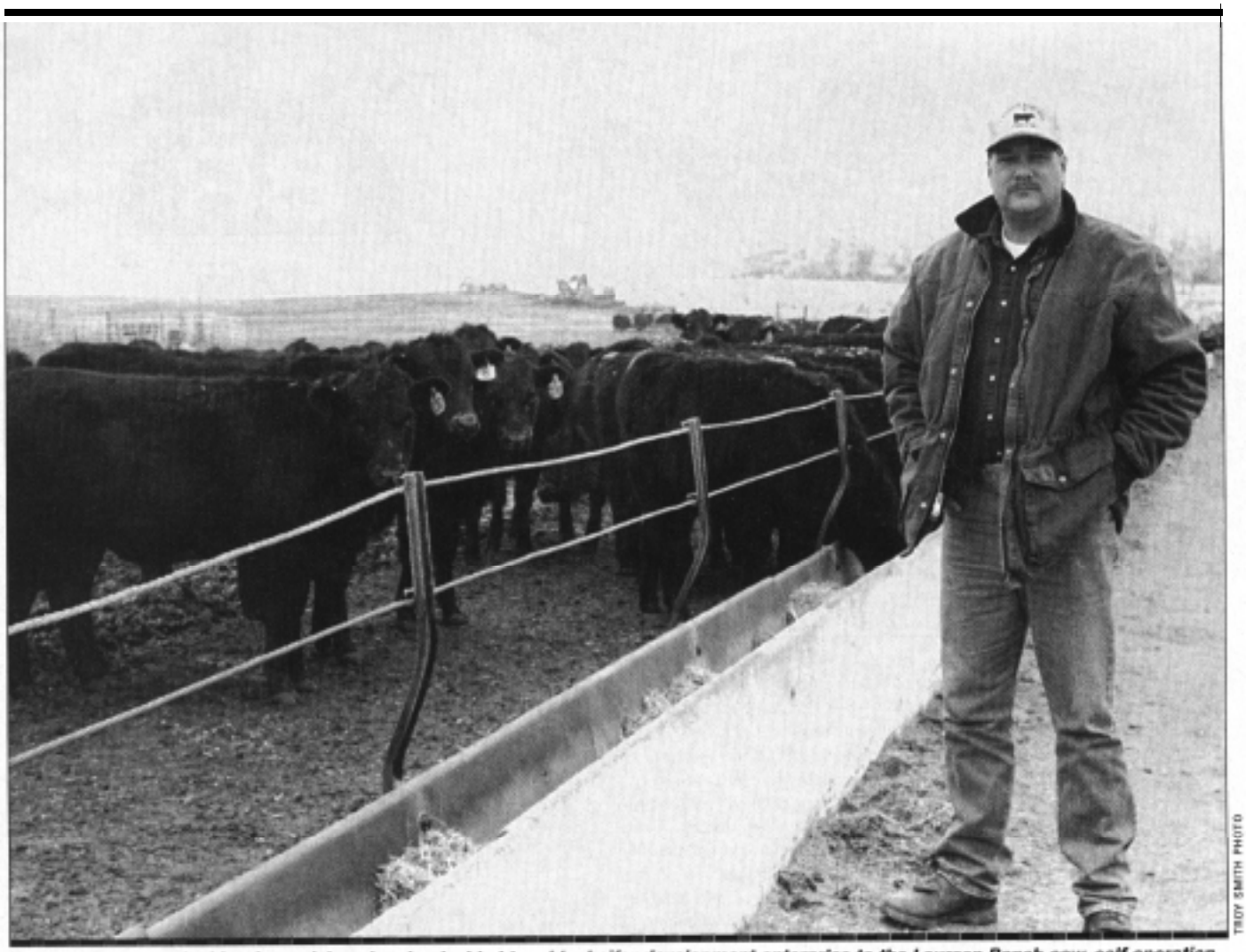

TROY SMITH PHOTO

Dave Laursen was looking for a niche when he decided to add a heifer development enterprise to the Laursen Ranch cow-calf operation near O'Neill, Neb. Now he grows and breeds about 1,000 heifers each year, including heifers sent by the Miner County Group.

MINER COUNTY Heifer Development LLC

Quality replacements are the short-term goal, but marketing plans for this South Dakota group are far-reaching.

BY TROY SMITH

David Miller believes predictable genetics will answer the beef consumer's cry for improved product quality and consistency. To build predictability into his own operation, the Howard, S.D., cattleman has set his sights on bettering the female side of his reproductive equation. Miller is aiming for a herd of genetically similar females with highly predictable reproductive, performance and carcass traits.

"I want to improve my cow herd through top-quality replacement heifers—genetically superior heifers bred to proven AI (artificial insemination) sires," says Miller. "But I can't raise and develop them myself."

Miller's diversified operation includes 1,000 acres of cropland and a hog finishing enterprise that turns 2,000 head per year. He manages 200 commercial cows and backgrounds feeder calves, too, so the added chores associated with growing and breeding replacement heifers are more than Miller wants.

Just down the road, John Reisch also grows corn and soybeans, finishes hogs and

feeds out 1,000- 1,200 head of cattle each year. Reisch manages Angus-based, commercial cows and breeds them to terminal sires.

"I can't keep heifers and improve the uniformity of my cow herd, and we really haven't been getting much improvement by purchasing bred heifers and cows," explains Reisch. "It would be better to have replacements with known genetics and breed them AI, but I don't want to do it myself?

Other area cattlemen have wrestled with the replacement heifer dilemma, too. Some lacked sufficient facilities to separate replacements from feeder heifers. When backgrounded together, keeper candidates consumed more costly feed than necessary and often became too fat. And while many producers recognized the benefits of AI, few had the facilities or expertise to apply it. Most common among these already diversified producers were the shortages of time and labor required to manage a first-class heifer-development program.

Consequently, Miller, Reisch and eight other area producers formed Miner County Heifer Development LLC. Now in it's second year, the group buys heifer calves to place with a contractor for development and breeding for a tight spring calving season. South Dakota State University (SDSU) Extension Educator Jim Krantz helped form the limited liability company and serves as its facilitator. He says the venture grew out of efforts by SDSU Extension and a local economic development group to generate added-value projects for area agriculture.

"This program promises to add value to group members' herds and increase the value of their production," offers Krantz. "The advantages are far-reaching."

Jim Krantz (center), SDSU Extension educator, says the heifer development program should add value to group members' herds and increase the value of their production. John Reisch (left) and David Miller (right) are two cattlemen taking advantage of the program.

To get started, the group first had to identify heifer selection criteria. Krantz says Angus heifers were sought because of the maternal edge the breed offers through predictable milking ability and reproductive efficiencies. They wanted to buy heifers with known genetic backgrounds from the fewest sources possible to keep the genetic base narrow.

The heifers would be developed according to known nutritional requirements to meet targeted breeding and mature weights. The objective is a set of first-calf heifers that would deliver unassisted, breed back on the first service, and wean calves weighing at least 50% of the dam's own weight. A concise calving period would be achieved through estrous synchronization and a closely monitored AI program. Group members agreed that artificial insemination would offer the best access to high-accuracy genetics based on expected progeny differences (EPDs).

"And since the Angus breed offers the widest selection base and high-accuracy EPDs, we decided on Angus sires," adds Krantz. "Sire selection emphasized low birth weight, high weaning and yearling weights, moderate milk and above-average marbling and scrotal scores."

"We've had really good results with that program," says Laursen. "The per heifer charge is $1 to $1.10 per day. That's my cost of feed plus 25 cents a day for yardage. Then there's a $20 per heifer breeding fee, which includes semen, health and incidentals."

Jim Krantz figures the cost of developing replacements for the Miner County group is competitive but offers no real savings over what individuals might invest in developing their own breeding heifers.

Angus heifers were sought because of the maternal edge the breed offers through predictable milking ability and reproductive efficiencies, says SDSU Extension Educator Jim Krantz.

Starting out in February 1997, the group purchased 257 heifers from just two sources. It was hoped that the heifers could be developed within Miner County, but last winter's severe weather prompted the group to send the heifers south to Dave Laursen, O'Neill, Neb.

The philosophy Laursen applies to his custom heifer development service matched the Miner County group's goals. And based on his success with the first year's heifers, the South Dakotans sent another 470 heifers to be readied for breeding this spring.

Laursen feeds a high-roughage ration targeting daily gains of about 1 1/2 pounds. That put the heifers at a breeding weight approximating 60-65% of their mature weight (700-750 pounds). Heifers passing a breeding soundness examination, including pelvic measurement, are freeze-branded, synchronized and bred.

"We have paid up to $10 per hundredweight over market price for quality, source-verified heifers. And we add a really good health program, pelvic measurement and freeze branding, so they aren't cheap heifers," explains Krantz. "I don't think our members are seeing any cost advantage initially, but I think they are making an important investment in their futures."

Each Miner County member receiving replacements has agreed to apply uniform management and all of the heifers' calves will be weaned by November 1. The steer calves will be gathered and placed in a custom feedlot to be finished and marketed collectively. Production and carcass data will

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be gathered and used to influence future genetic selection decisions. The heifer calves (all half sisters) will be likely candidates for the replacement heifer program and would further narrow the genetic base.

"We expect dividends to be paid back to group members on down the road," says Krantz. "Once our group collectively represents a significant number of genetically similar females producing calves with predictable performance and carcass traits, we should be able to choose from several marketing avenues."

Krantz believes bred-in uniformity and consistency could demand value-added dollars if the cattle are finished by individuals, but marketed as a group to a cooperating packer that would feed back carcass information. There's some talk that the future might bring the building of a Miner County Cooperative feedlot where group cattle could be fed for selected packers on a value-based marketing system. If built, such a cooperative feedlot might also obtain shares in a cooperative packing plant such as the one proposed by Northern Plains Premium Beef.

"Certainly one of our goals is to build numbers of fed cattle to gain the marketing leverage none could have as individuals," adds Krantz. "My projections indicate that by the year 2001, our group will have a minimum of 1,200 head of genetically similar, consumer-acceptable, performance-predictable finished cattle that should earn a premium on a packer grid." Premiums achieved by meeting *Certified Angus Beef*™ product specifications are certainly a target, he adds.

David Miller says the major obstacle to this project is the availability of heifer calves at the time the group wants to buy them. They prefer to buy in October and November from just one or two sources. That may become increasingly difficult as some group members are wanting to cull their herds deeper, replacing a higher percentage of females.

"We're going to need even more heifers in future years, but we can't afford to compromise on genetics for the sake of numbers," says Miller. "Ideally, we would like to find a few Angus breeders that would be willing to raise sufficient numbers of heifers to fit our specifications. That might be the best way to go. We could get the kind of heifers we need and the cooperating breeders would be adding value to their herds too."

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