

Testing, Testing,

- 1, (settle on straightbred, rather than crossing)
- 2, (emphasize feedlot and carcass traits)
- 3, (turn the cow herd over often)

By Jim Cotton
Editor

Synergism is that funny thing that happens when two parts produce a greater whole. Scientists love it when this occurs—it makes for great press and sets colleagues buzzing. The term has become popular today and is often lifted from its original pharmaceutical and medical context.

When a synergic combination pops up in farming or ranching, it's reassuring. Providing the combined effect is positive, of course. It can go the other way—two woes uniting to work a greater calamity. But, when good things collide and find compatibility, it's cause for wonder. A serendipitous synergism, if you will.

Take pasture rotation . . . intensive grazing . . . improved grass-legume mixtures . . . and cattle bred for efficient conversion. Talk about a fortunate coming-together, things get exciting when carefully laid plans exceed expectations.

But things just don't happen conveniently. There has to be a plan somewhere. Some groundwork laid. Someone made a decision. Forces were set in motion. And people learned to live with or improve the consequences.

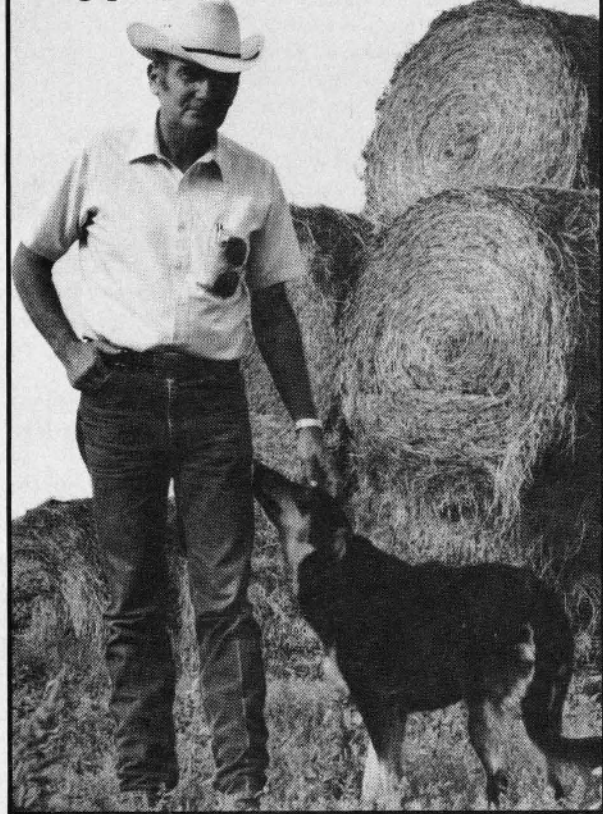
The Merlyn Carlsons have seen a bit of this sort of thing. They've moved the blocks around in their enterprise and have created new combinations. They built on some fortunate beginnings, at least Angus-wise. Yet, they've not become wedded to some ideological myth. They've put their eggs in a few baskets and have kept their eyes on those baskets. Change, adapt, and challenge each enterprise to prove it can keep up, contribute, or even produce a little synergism now and then. That's the Carlson quest.

Their Nebraska and Angus chapters began in the early Forties when Myron Carlson went seeking a ranch in Colorado and Wyoming. He settled on the present location along Lodgepole Creek, the Persinger Family ranch that dated back to Nebraska's Territorial days. Myron consolidated the sale of several farms and purchased the Persinger property and what was to become the nucleus of the present operation.

There began a migration toward an operation based strongly on cattle rather than crops. Yearlings were an early enterprise. In the meantime, Myron went shopping for a cowherd. In 1947, a black and "pretty good herd" of commercial Angus cows was located and secured for \$35 a head.

Then, according to Merlyn Carlson, registered first-calf heifers were purchased shortly afterwards. The registered segment of the Carlson herd was maintained for approximately ten years.

Merlyn Carlson
Lodgepole, Nebraska





The Carlsons at home, Lodgepole, Neb. Steve, Jan, Merlyn, Chris, and Debie.

Mrs. Carlson is the former Janice Johnson of Ovid, Colo., and a graduate of Colorado State University. Debra has completed two years at Oklahoma State University and is now studying at the Travel Institute in Omaha. Christine is a sophomore at Colorado State University majoring in finance and real estate. Steve is a graduate of Oklahoma State University and was honored as the outstanding graduating animal science senior.

Then, the emphasis began to shift toward the commercial herd and finally, the cowherd was totally commercial in makeup.

Registered Angus bulls, however, have been highly important to the ranch progress to date.

Merlyn points out the focus from the very beginning rested upon uniformity and cow performance. "Bulls were purchased early on from breeders such as Lute & Son of Merino, Colo.; Bill Sorrell of Larkspur, Colo.; and the Wyoming Angus Ranch of Cheyenne."

Then a venture into A. I.

"In 1957, we began to A. I. We first took our best performing bull or bulls to an A. I. stud facility for collecting and freezing. This practice remained in force for 15 years. In the interim, bulls were purchased from Pinehurst Farms of Marengo, Iowa—owned by E. J. Schmuecker & Sons and Frank Leahy. Following the Schmuecker bulls, we began using bulls from Wye Plantation in Maryland."

Merlyn recalls this era included the introduction of A. I. bulls other than those they owned. And, coming forward to the present, they began purchasing bulls from Windy Acres in Harrison, Neb., Henry Gardiner's at Ashland, Kan., and Summitcrest in Broken Bow, Neb.

"Special emphasis," he says, "was placed on dependability, uniformity, maternal traits, weaning and yearling weights.

"Then, in 1976, we built a commercial feedlot and began feeding our own cattle. From that time forward, more and more emphasis has been placed on feedlot performance and carcass quality."

It's been a Carlson maxim that the herd remain largely closed. No females are purchased from outside sources.

"We strongly believe a breeding program aimed at a steady upgrading of desirable traits, must come from a closed herd at least from the female side." Merlyn describes his approach to herd improvement includes "regimented rules for refining improvement in the cowherd. From breeding, to management, to health, and on to marketing at the end."

He likes to keep the herd relatively young by keeping back more replacement heifers than normal, placing them into service in greater numbers than is common, and working off the older cows even before some would think it necessary. "In fact, we like to keep the average age of the cowherd at four years of age since that seems the most productive point."

Virgin bulls are purchased annually to add the "needed outcross or in-herd hybrid vigor." Since the family is keenly geared to feeding, Merlyn finds they place more and more emphasis on carcass merit and feedlot growth and efficiency.

Unlike some of the recommendations from extension and other sources, this is emphasis on the end product. While carcass traits are forecast to become more important in the beef producer's future, much of the popular press is concentrating on restoring maternal qualities to the cowherd. Improving calving ease, fertility, and moderating size and frame are generally urged. Carlson's believe they have those traits established well enough within the bulk of the herd. Consequently, they can bring more pressure to bear on the feeding end of their enterprise, forcing it to contribute more to the sum total.

No segment of the business is allowed to be propped up by the others. One example is the attitude toward the cowherd. In some minds and

localities, it would be kin to heresy to cut back one's cowherd in favor of yearlings. But, the Carlson pencil indicated it was the prudent thing to do when considering costs and returns.

"We found if we held or even cut cow numbers, we could cut input costs substantially. Therefore, yearlings were a natural to fill the pastures. Also, yearlings provide the insurance and flexibility to add or cut due to good or bad seasons of rainfall."

So, the family has developed a hardnosed attitude about the dimensions and position of each enterprise. No sentimentality for cows if they drain revenue off the total. Economists would applaud segregating each enterprise, separating it from the whole, and scrutinizing its profitability and contribution alone. The tendency all too often is to allow poor performance in one area to be masked by high performance in another. An example might be hay production, easily considered a necessity and a "known"—one has to have a good supply going into winter, hang the cost. Here's where hoping for some serendipitous magic is probably ill-advised.

"We found our hay production was the most inefficient and costly enterprise we had. So big changes were made to cut costs, enhance quality, plus we'll even buy some hay rather than attempting to raise all of our needs.

"Yes, this does require considerable recordkeeping," he continues. "Fortunately, we keep pretty good records anyway, so pulling costs into enterprises isn't too great a task.

Merlyn points out employees assign their time every day to different enterprises. Many of the costs, then, are allocated simply by the time spent. "Other allocations of costs become more difficult and must be arbitrarily allocated based on the best historical evidence we have available.

"Knowing what you are doing, what production costs are, what enterprises are working better than others, what are the options, are all vitally important to the prudent decision-making process. This day and age, one must know as close as possible, costs per unit as well as value per unit."

One of the husbandry projects being tested

at the Carlson feedlot is the use of growth promotants. The practice hangs in balance.

"We are in the early evaluation of not using growth stimulants or antibiotics on RAISED cattle only. However, we are still using them on all purchased cattle. It does allow a more realistic assessment of genetic potential, of management pressures, and of environmental influence.

"We are not ready to wave the flag for natural beef just yet, but it does look promising for a controlled program. Further, it is allowing detailed carcass data to be transmitted back into the breeding decision."

This Carlson cowherd has not just stumbled along as either a support or recipient of other pasture and cropping programs. Since the early 1950s, Merlyn points out, considerable pressure has been exerted on the cowherd's productivity. For 30 years, cows have been measured and culled largely on maternal traits—"with another eye on performance."

A 50-day period is allotted for calving and breeding. Merlyn prefers to calve late and wean early in his country and within the scope of his resources. The family is striving toward wintering the cows more inexpensively. Calves are now placed on a limited feeding program during their growing period.

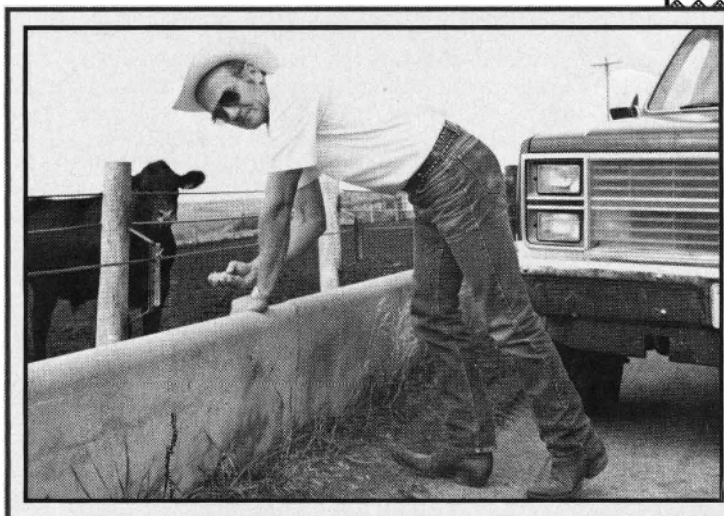
"We are delaying the time of marketing the fed steers by limit feeding—that is by feeding a short time on grass, then follow with a short, intense full-feeding period."

The herd is increasingly black and Angus in background. The Carlsons did attempt some crossbreeding in years past. "We crossbred for seven years on the bottom one-half of the herd designated for a terminal cross program."

Carefully-kept records did not reveal any advantage when comparing crossbred progeny with straightbred. "We found essentially no advantage in production value while production

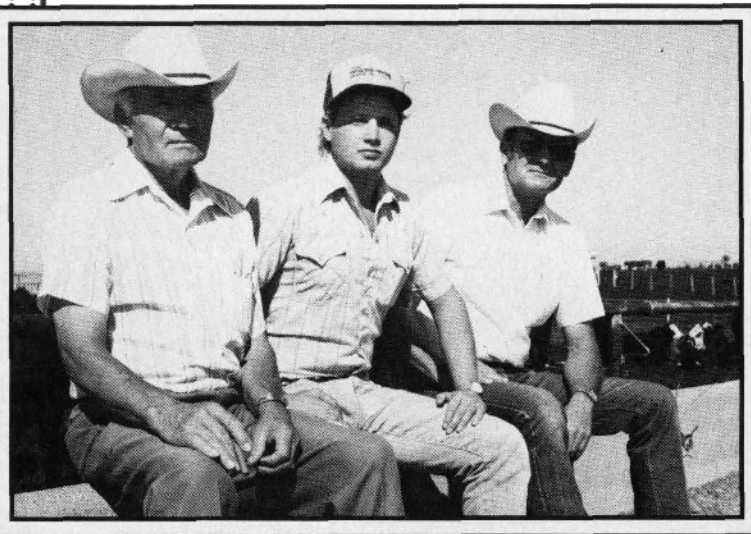


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expenses—management and feed costs—were substantially higher for operating the crossbreeding program."

Merlyn feels the race between crossbred heterosis and within breed improvement made by Angus Sire Evaluation is a dead heat. He finds predictable performance provided by EPD values to clearly favor straightbred cattle over crosses, especially if such crosses are non-descript. "With the increasing reliability of EPDs, with the outcrossing of dependable traits and lines, and the desirable end product carcass, all contribute to the



Three generations: Myron, Steve, and Merlyn

right decision for us to return to straight breeding. In fact, it appears the commercial man may need to re-evaluate heterosis."

Merlyn labels the "increasing accuracy of EPDs" as extremely helpful. Bulls for Carlson pastures are selected on the basis of records and eye appeal. Emphasis centers on birth weights, maternal traits, feed performance, and carcass traits.

Interesting to note the Carlsons do not place heavy emphasis on weaning and yearling weights as do most commercial producers. Operating a feeding enterprise does impose some different conditions and modify one's outlook.

"Weaning and yearling weights take second priority since heritability of feedlot growth and carcass traits are about twice that of weaning weight. We feel we can make greater progress by using this philosophy and management in our selection criteria.

"We select our replacement heifers as late as

possible (around 13 months of age), then most likely breed and sell the balance as bred heifers," he adds.

Carlson pastures range from rolling hills to sub-irrigated meadows. Irrigated corn, oats, hay, pasture plus dryland wheat and oats are raised and put into the enterprise mix. Crop aftermath such as cornstalks, wheat stubble, meadow aftergrowth are prized for holding cow feeding and maintenance costs in line.

Quite a lot of study is devoted too toward integrating equipment from farming to feeding, to harvesting feed, and then feeding the cattle. Carlsons try to dovetail equipment as well as manpower.

Rather than diversifying widely or adding enterprises, the family has plotted its course more toward integrating and examining the total program from the inside out.

"Our ranch and farm has been the springboard for some diversification and some integrating," says Merlyn. "We have developed a commercial feedlot, a commercial growing lot, a feedstore, and a purebred SPF swine operation. The decision to let an operation grow and then develop another from it has been good. There is always the matter of hindsight and saying we wish we would have done some things a little different, but generally we're pleased with the structure."

Marketing is, in his view, still the most nettlesome challenge for cattle producers today. This, from his perspective as chairman of the 1987-88 National Cattlemen's Assn. Task Force on Futures Trading, a thorny subject.

"The apparent growing trends of concentration, integration, and structural changes are all major concerns to all of us. In fact, if we do not see a reversal of the structural trends now occurring, we'll look like the poultry industry. Our ability to discover a price or discover value has eroded very badly. I think we will turn the trend around. We'll find ways to discover price, to report prices and value, but it will take time and a lot of effort.

"The ability to share and manage risk is a very vital ingredient to a healthier price discovery and marketing system. We believe, through the task force, a great deal of improvement and refinement was made to our marketing alternatives."

Carcass merit will by all counts be fundamental in a new and evolving pricing scheme. The mechanism for assessing discounts

are already in place and the major players will control more and more significant sections of the daily market. They'll be imitated by those smaller packers and buyers who are left. These are some of the issues Merlyn Carlson dealt with throughout the Futures Task Force study (see sidebar).

And as a feeder, he's well aware of the potential for values based on better-cutting cattle. "Our industry has done much to remove the waste fat through genetics and feeding. There remains a big unknown, namely how far can we go in taking the waste fat out without hurting the taste or quality. We know producing muscle is much more efficient than producing fat. Fortunately, there is still a magic level and mix of lean and fat that is very necessary for carcass quality, yet one that can be justified all the way back to wintering a cow in frigid winter conditions."

Today, as Merlyn assumes duties as vice chairman of the Cattlemen's Beef Research and Promotion Board, it's a bit reminiscent of when he was president of the NCA back in the early 1980s. There's a travel schedule plus board and public demands that weigh heavily on the workload at home. He credits his family and staff as keeping ahead of all the daily tasks and working the plans as well as planning the work.

"We are all involved—Janice, the three children, and my father Myron." Somewhere along the lines of the workflow, all contribute. Son Steve has just returned to the operation after graduating from Oklahoma State University.

Demands have honed his appreciation of the value of reliable stand-bys at home, especially while at the helm of NCA. This organization is known to put its president on the road for 300 days of the year.

Of the forces coming to bear during his NCA career, the homefires were competently managed during his absence through "great support and great help I've had from my family and our crew."

"Of lasting importance in management is beginning with good people. We have been extremely fortunate to have good people. We have tried to make them feel a part of the effort, ask for their ideas and input. We try to use good equipment and facilities and instill pride in anything we do."

He ties a number of experiences together when tracing those formative years. "One thinks back," he says, "to the early impact from school, college, fraternity, social events . . . Then becoming active in Angus field days and conferences, the activity leading up to serving as president of the Nebraska Stock Growers' Assn.,

Task Force opens cattle futures dialogue

Making cattle contracts more useful to all segments of the beef industry. This, the key assignment of the NCA Cattle Futures Task Force, chaired by Merlyn Carlson.

Cash settlements of live cattle contracts have persisted as among the most difficult and elusive problems for the Chicago Mercantile Exchange and the beef cattle industry to resolve.

But, as the search continues for a satisfactory approach and settlement, the industry can derive some security. There's been progress in reducing frustration and suspicion toward the futures trading process.

Some of the improvements accomplished by the Futures Task Force included more options listings; addition of a live cattle contract month (September); more industry representation on CME committees; steps to prevent abuses of dual trading; review of criteria for suspension of trade in critical times; prevention of large increases in speculative limits; closer liaison between the Commodity Futures Trading Commission and USDA (with the mission of helping prevent government-prompted market breaks); programs to attract long hedgers; closer surveillance of the markets; and better communications to brokers and the industry.

NCA's executives instructed the organization's marketing committee to form a subcommittee to monitor cattle futures trading on the CME and to ensure improvements established by the task force are honored.



and finally, to all the roles leading up to becoming president of NCA." It would appear there wasn't much opportunity to get away from it. But Merlyn says, "Seems I've always had something on the side. Following college, did some calf roping at rodeos, then association work took all the spare hours and now it still does except for a little golf."

The family has pledged to make the operation better and stronger. Merlyn wants to "continue to build a solid foundation and reputation for innovative ideas that contribute to a better industry than we entered."

These days, it appears there's some "synergism" at work on Lodgepole Creek.

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