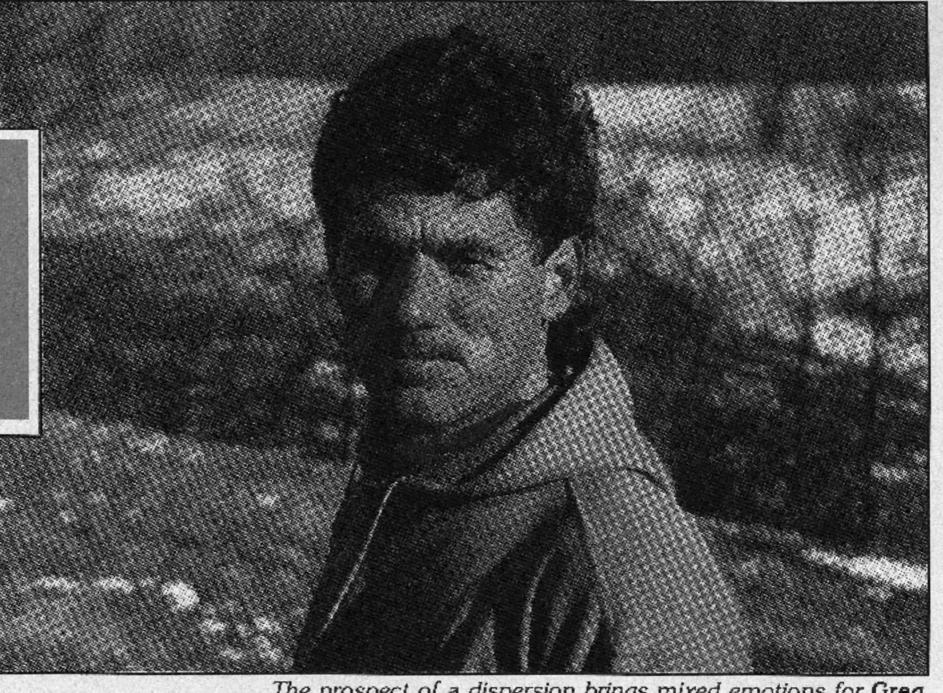
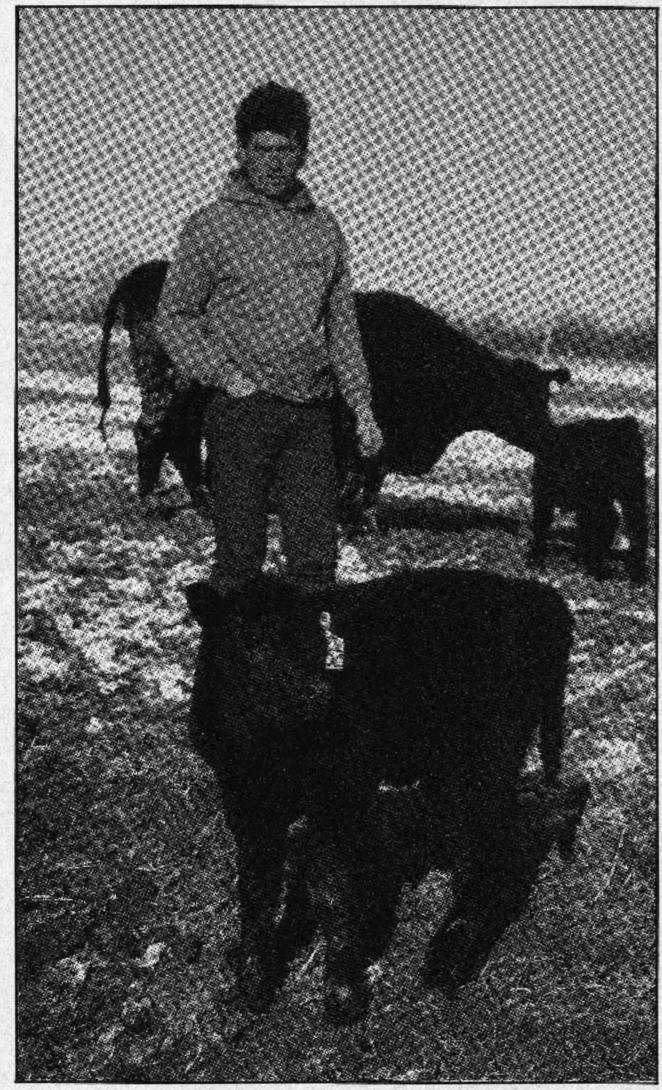
"We've stuck to the tried and true"



The prospect of a dispersion brings mixed emotions for Greg McKean. It will permit flexibility toward future planning but will also mean some great matings will leave the herd and homeace.



A son of Windac Heritage and out of a PS High Pockets dam, calf 8052 represents the blending of high hopes at McKean Bros. Angus.

are the enterprise that steams along without crossroad, hurdle, or complication. Family crises arise. Cattle and markets change. Industry and personal programs follow new directions or tangents.

The cattle operation that plotted its course 70 years ago and never backed up, detoured, or made adjustments would be more than exception; it would strain credibility. Reality intervenes, and most of us must cope with such. Here's an account of how one Angus family is considering its options and what steps it believes necessary today toward meeting tomorrow.

McKean Bros. Angus at Mercer, Pa., was planning their 1988 production sale when some timely things began to converge. The Hall of Fame's Tom Burke must have liked what he saw when he went through the herd and started composing what was planned as this year's offering.

"By the time Tom got through, we were practically dispersed," says Greg McKean of the firm. And as the family discussed it, perhaps this was the time to make a major move, regroup, and approach afresh the new Angus industry.

Dispersing. The term may be the most emotionallyloaded of the seedstock industry. Interpretations vary. It can represent the pinnacle wrought by decades of devotion, an admission of disenchantment, or the passing of an era and entrance into new fields or organization.

"Tax-wise, this is a good year to do that (disperse)," Greg continues. "Besides, we've never really sat down and devised a game plan. The bulls we've used have all kind of fallen in line. They've been bulls we've liked and they've worked. We just need to get our plan together." Greg emphasizes the McKeans aren't cleaning house, though in fact, the sacrifice is plunging more deeply than they would like. But, the passage of time has not helped ravel some complex ownerships nor clarified those vague areas that just grow more foggy with the years. Little herds within

the herd have grown from 4-H or FFA heifer projects, for instance, and how does one person trying to be responsible for the whole make decisions affecting these individual parts?

"Everybody's got a piece of this cow or a piece of that cow, so we decided the easiest way, instead of buying everybody out, was to sell them all. Good example-Kirke owns the Beauty Lass cow, and we're putting her eggs in our cows-how do we make it all come out and be fair?"

Consequently, this year's production sale became a dispersal so decks could be cleared and goals clarified. As Robert "Bob" McKean pointed out, the other boys have careers away from the place and Greg, as herd and farm manager, needs to have his situation made more secure and solidified. The family will continue to function as McKean Bros. Angus, and the new enterprise will be managed more as a consolidated unit.

Greg notes one post-sale goal already on the front burner.

"We've been doing a lot of traveling the last few years, and we've seen a lot we can improve on." He refers to constructing and re-construction of facilities during the next year or two. The effort should help reduce management headaches. "This facility thing is a big one. We can spend a full day feeding in the winter because we have so many individual pens where we drop a forkfull here and a forkfull there. We'd like to get set up with a bunkline feeder, for one. When we're away on the weekends, it's hard for the help to keep it straight as the changes take place."

The sale offering this fall will emphasize PS Power Play and PS High Pockets offspring. McKean Bros. own an interest in each bull, and Greg describes the pair as contributing "trouble-free cows, easy calving, with good udders, genetically free, no white problems. All our High Pockets are out of Power Play daughters. High Pockets was out of Power Play's sister, so the influence of that 205

cow (PS Mentieth Blanche 205) is doubled up."

Greg thinks there are around 25 mature cows on board by PS Power Play and 50 granddaughters.

Another large sale group will be some of the first known calves by Windac Heritage. A maternal brother to Harrison, Windac Heritage is a Pine Drive Big Sky son out of the highly regarded Windac Class 1752 cow. During 1986, this bull campaigned impressively throughout the Midwest and won the junior bull calf champion slot at the 1986 Western National Angus Futurity. Greg reports cannonbones on his calves measure an average of 12 inches at two weeks and newborns are weighing in between 80-85 pounds. "He's produced some of the most uniform and thickset set of calves but they still have some frame to them."

McKeans select bulls by commitment, not speculation

nor experimentation.

"Whenever we bought a bull, we used him," Bob McKean says. "We didn't try him. That's the way with the Freestate bull (PS Freestate 154; a 1974 purchase and a pivotal point in the McKean herd development). We believed in him and we bred him to everything we could. Same way with Power Play until we came to the position of using Power Play on Power Plays."

Greg adds, "Mom would say if you're going to spend that much money for the bull, then you're going to have

to use him."

"That's the only way he's going to be any good to you or prove anything," says Bob. "You have to breed him. across the board, not just your good cows or your bottomend cows.

Bull investments have been carefully studied. Yet a

McKean sire purchase hasn't been hauled home just to adorn the pastures nor attract some national glamour to the program. Bulls are important but cows are the meat and potatoes. Daughters are both what the firm has built on and what it markets. Therefore, the daughters of that sire can loom quite a bit more important than his sons, especially when the bull market here is less than exciting.

"One thing we've been real fussy on is udders. We like them small and pretty uptight. With the mud we have, we watch that carefully," Greg points out. Three families have been fountainheads: the Eulima 549 cow, the Ruby family, and the Callie family. "The matron of the Callie family is a Marshall Pride 515 daughter and still on the place. We have three full sisters in that family and by the time you branch out, there's probably 20 in that family. We've only sold one. We've never sold any of the Eulimas. Nor the Rubies."

Great cow families, but what lies ahead? Embryo tansfer is being discussed as a possible future role. The



building program mentioned will likely provide a lab/center if the decision is to pursue it. The McKeans have tried enough E. T. to know what's going to be required.

"We have a vet here in the neighborhood who's been really good. I don't think what we've done so far could have been accomplished any easier or cheaper," says Greg.

"Our intentions have always been to never part with any of those three cow families," Bob explains. "So one possibility is to pick one or two out of each family and flush them and freeze the results. We may or may not do that. As far as using E. T. to build this nucleus of the herd back up, that's probably not in the plans either."

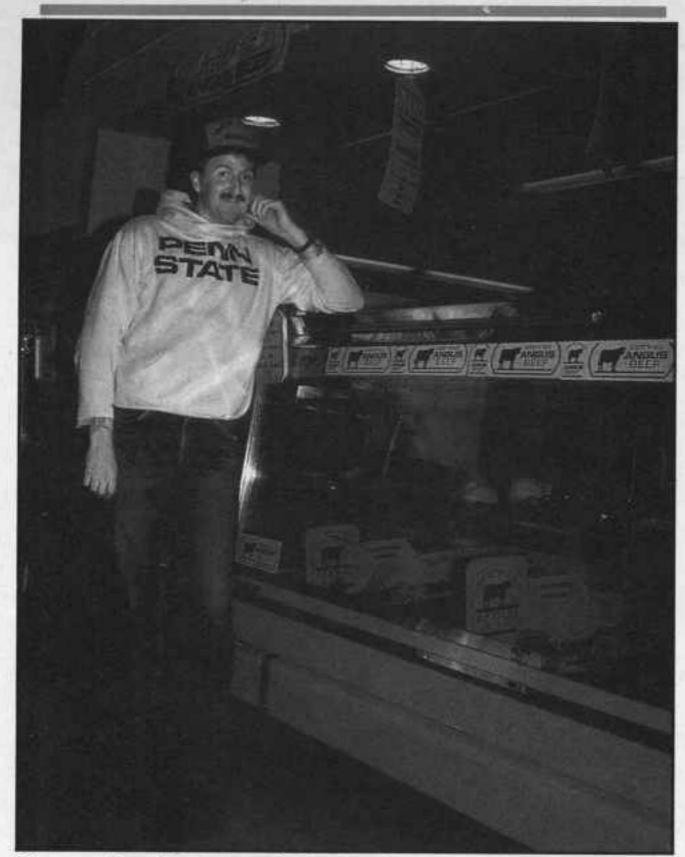
Selling these good cows but retaining eggs/embryos from them is not acceptable. It's a matter of comfort zones, according to Greg. "We don't feel it's fair. Here's this buyer getting that good cow from us and yet we're keeping 10 eggs out of her. He's buying her for her marketing potential."

The only E. T. planned for the immediate future involves two cows. These animals are not being offered in the sale out of respect to partners Summmitcrest Farms (the PS Power Play daughter Summitcrest Miss Angus R003) and Fox Hill Farm on the Leachman Lass female.

McKeans have reservations about E. T. and therefore

are proceeding cautiously. Greg expresses it:

"We compare our transplant calves with some of the offspring from these two-year-olds, and we wonder. Those calves look as good as some of the transplant calves, and we've got 300-400 less dollars in them to start with."



Director, Retail Division of Certified Angus Beef, Kirke McKean. He learned much of his beef savvy in the display case to the right. "I've never seen anyone who could lay up a meat counter like Kirke McKean," says Mick Colvin, executive director of CAB.

"Plus you've got that ugly recip," Bob laughs referring to the Holstein most likely being used for the purpose.

"Tell you what," says Greg, "the first year we transplanted, we fed 21 open cows through the winter. That ain't the thing to do!"

Recipients have plagued many an E. T. program. Price and supply are often a hassle, and McKean Bros. have found it can take the edge off a program. Bob's observed E. T. operations where a feedlot full of open recipients stood waiting. "Is that making any money?" he asks. "We looked and looked to find the right kind—we wanted something with Angus in it. Most of what we came up with were Holstein-Angus and some were Hereford-Holstein.

"We were looking for something that would give us milk and was still a beef cow and could rough. We had a heckuva time finding them, and when we did find them, we had to give a pretty penny." Greg explains the cows were high at the time of their search, and finished cow price was quoted as sellers had the option to go to the slaughter market.

"When one of your registered cows calve, it gives you a chance to see how your breeding program is working," says Bob of some rewards from a natural or A. I. program. "I think we make an effort to see every one that's born, and there's more satisfaction in it—does this Heritage calf look like the rest of them? Out of a litter or flush, on the other hand, you'll have uniformity and yet there'll be some variation. I just can't get the same enthusiasm out of them."

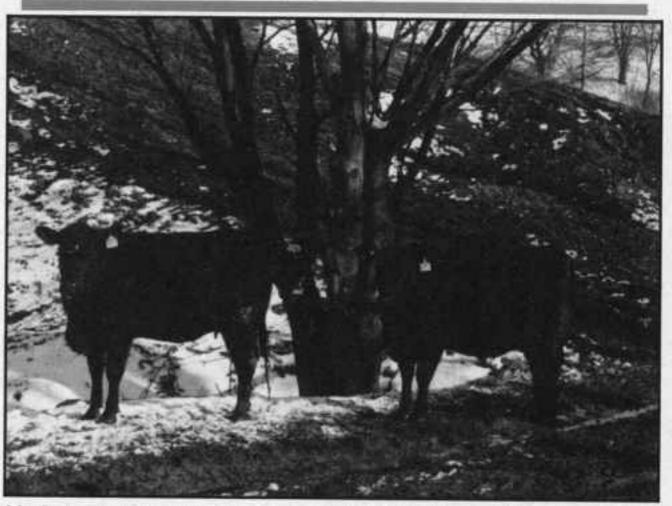
He refers to one industry opinion that heifers shouldn't be flushed, that a female needs to have two calves to prove she's "going to be an Angus cow." He's inclined to agree after some exposure to E. T. "You don't know if that heifer is going to have mothering ability. It's important she establish a pattern of settling, produce some good ratios. Did she jump up and run off from her calf? There are a lot of things with respect to udder development we don't know."

Australian visitors have confirmed their emphasis on structure and soundness. "They make us aware we'd better not be forgetting the importance of structure," Bob points out. The Australians came equipped with video cameras and requested that cows of particular interest walk on hard ground so they could tape movement and foot-pattern action. Greg caught a half dozen calves so their jaw structure could be examined. "An animal had to have four real good feet plus look like it was going to be able to eat grass and have a good tidy udder," Bob says.

Over the years, the really sound cows have been hard to part with. Few have been sold. The overwhelming choice was to funnel them toward the cow inventory. "We always kept putting the top end of our females back in. It hasn't been until lately that we felt we had enough numbers to sell a few top heifers here and there."

It might be said McKean's have a cow bias. With a modest bull market, heifers or club calves are a better source of revenue. However, on the other end, the family's paid both attention and money to acquire either the sire or interests in sires they think will replenish the cow factory and produce for their market. Percentage interests in PS High Pockets and PS Power Play were secured because, as Greg put it, "we thought it was better to buy an interest than buck the competition trying to buy them all by ourselves."

Shopping for and owning good and nationally respected sires has become a bit habitual. Back in the 1960s when the herd first began growing beyond its beginnings, Bob enlisted Mick Colvin, then a Regional Manager for the area, to seek out a bull, a herd bull. Canadian Colossal was the rage, and Mick found a son in



Heifers by High Pockets and out of PS Power Play daughters form a big slice of the replacement portion of the herd.

BRV Colossal from Big Rock Valley Farms in Michigan. He proved of foundation merit and the die was cast for growth and expansion.

The family moved to the Mercer location in the early 1970s, and in 1974, Dr. Erskine Cash at The Pennsylvania State University escorted Mrs. McKean and the boys through the school's calf crop. PS Freestate 154 stood out, and the decision was to buy. Greg showed the bull, capping its career when Freestate stood grand champion at the 1977 Pennsylvania Farm Show.

In 1977, part interest was secured in PS Power Play.

The frame and grow power was clearly evident with a WW of 736 pounds (adj.) and a ratio of 111. Greg was a student living at the Penn State beef barns and persuaded his father that investing in Power Play would be wise.

The bull grew out to an adjusted yearling weight of 1,144 pounds with a ratio of 110. At the 1979 All-American Angus Breeders' Futurity, Dr. John Maurer of Texas A & M selected him senior, grand, and supreme grand champion. He was pronounced the longest (59.5 inches), tallest (59 inches), and heaviest (2,120 pounds) bull ever to stand at the show until that time. Power Play was paired with his maternal sister to win the McCorkle Challenge Trophy that year.

Overlapping McKeans' Power Play era was the PS High Pockets percentage acquisition in the fall of 1982 at the Penn State "Honor Graduates" sale. This addition intensified the Power Play maternal strengths the family admired. High Pockets was the son of Power Play's

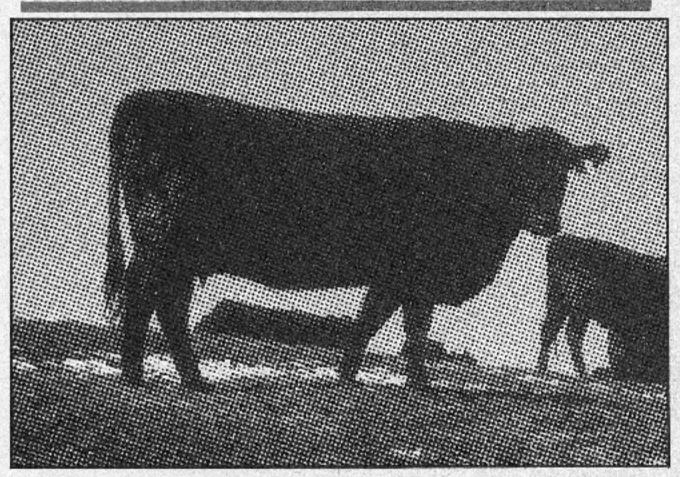
maternal sister, PS Playmate 905.

McKean Bros, have been able to sell 10-12 bulls a year through private treaty. Not a bouyant market, though this year it was better to the tune of 20. Where have they gone with the bulk of their bulls?

"We put a knife to 'em," says Greg. "In other years we might have had some bulls left over by July that we would

just kill for hamburger."

"In the earlier years, we would put a number of cattle through the plant," Kirke McKean points out, adding the family had a rather totally integrated system in effect through a slaughter and locker plant owned by Bob's father.



Cow 549, a PS High Pockets daughter, brought in the heaviest heifer of the calf crop last season.

Here's where Kirke grew up. His allergic reactions to dust, feathers, and other farm particulants prevented him from working much with the cattle or out in the fields. So, he would leave with his father in the morning to work in the plant and eventually the supermarket business the family has built over the years in Sandy Lake, Pa.

Kirke says his grandfather's slaughter facility would hang between 45-50 head of beef a week, 60-70 hogs, plus a few vealer calves and some lambs. The plant was also patronized for its smoked summer sausages and bologna. The setting and experience it provided was custom-made for Kirke's first real job: Director, Retail Division, Certified Angus Beef.

The family of course introduced Certified Angus Beef at the supermarket. The local folks would ask, "Well, what's the difference? You've been offering Angus beef for years." Connecting the family farm with the meat counter



The McKean's, Bob and Peggy, raised nearly 25 feet of sons on hard work and dedication to the farm and Angus. Since 1957, Grandfather John L. Woods provided each new addition to the family-Greg, Kirke, Alan, and Guy-with an Angus female on the day of his birth. The Wood herd, thought to be the second oldest in the state at that time, eventually formed the foundation for the McKean Bros. Angus herd of today. Pictured at the McKean family supermarket.

was a misconception to be expected, perhaps. The McKean supermarket purchases around a 1,000 pounds of CAB each week from an Erie, Pa., distributor.

The store offers a complete deli-bakery, keeping in step with big city cousins. The smokehouse, so popular with area residents and providing a staple at local bars, was re-introduced as part of the family tradition.

That's important. Families live and trade here for generations. They have expectations. Several in town keep their own shopping carts which they wheel to McKean's every week or so. Hours are 8 a. m. to 9 p. m., six days a week. When Sunday hours were proposed, the community vetoed it. Either Bob or Peggy McKean are in the store all hours, splitting the long day into two shifts.

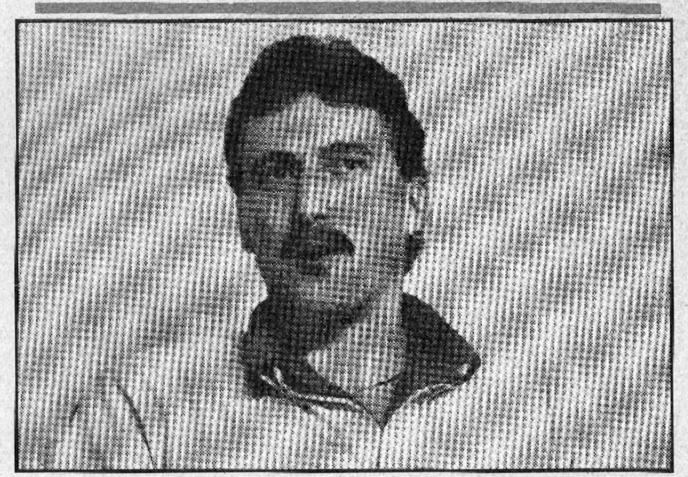
Two or three times a week, someone from the store will go down to Pittsburg and buy produce off the market, allowing them to choose what they offer at McKean's.

"Customers really appreciate it," says Kirke. "We were having some distribution problems with the warehouse and we weren't getting the quality of produce we needed. But down there, you can go from box to box and get what you want. In most stores, the canned goods are the same, the crackers are the same, so where you can be different and enhance your profits are in the perishables.

"The store layout here—and in many stores—is designed so the first thing the customer sees when she comes in is the produce department. You have to have the highest quality meats and produce you can afford to offer. That's the only way you can be distinctive."

Kirke's Angus career began with an orphan Angus heifer. He became a member of the National Junior Angus Assn. when he was eight years old and began showing Angus steers then.

As the allergy problem persisted, it became apparent Kirke was destined to learn the meat trade and supermarketing as the right hand of his father, whom



Kirke at Certified Angus Beef headquarters in West Salem, Ohio. Two special achievements of recent years are his hole-in-one shot at Mohican Hills, witnessed by Mick Colvin and recorded in the local newspaper, and his election as an honorary Regional Manager of the American Angus Assn. by virtue of his "exemplary hospitality, generous wallet, and dedication to traditional principles."

Kirke regards as the most influential person in his life. "He exemplified the position I wanted to be in when I was growing up. The background has given me hands-on experience in many phases of the meat industry."

Kirke also credits his involvement in the meats judging team at Penn State as proving to be very valuable. "The meats juding team was by far the best course in terms of pursuing a career." The years he spent working and living at the university meats lab were very helpful, he says, plus his activities in support of the Block and Bridle Club were rewarding.

He was planning a career toward the supermarket industry when CAB intervened. "My goal and dream has always been to own and operate a small chain of supermarkets. But during my junior year in college, Mick Colvin spoke at the Pennsylvania Cattlemen's meeting which was held at the Penn State Meats Lab where I was living at the time. I was quite impressed with his presentation on CAB and inquired about a position. Between my junior and senior year, I worked as an intern with the program."

"It's trying to convince retailers that CAB is worth the additional cost," he mentions when discussing the focus of his job. "We try to show they can be price competitive and yet offer something special.

"Some of the butchers I talk to will say—Young man, you don't have anything special. It's the same kind of beef

I used to be able to get 15 years ago and now I can't."

"It's a compliment and the meat counter people love the product, but yet they have to convince their boss who looks strictly at the bottom line—'Can we cut and price it competitively and still maintain a 22-24 percent gross?' I would say 90 percent of the retailers I talk to seem more concerned about meat grosses and not meat quality." The Bruss Company, a Chicago distributor, labels the CAB product as a "quality alternative to Choice and a pricing alternative to Prime." Would that every potential client could realize the opportunity. Kirke might penetrate the defenses if this simple axiom could sink in.

Running against this kind of opposition took a curious turn when Kirke landed the National Canal-Villere account in New Orleans. Canal Villere is a very major chain in the South and an influential leader across the Sunbelt. Linking Canal Villere and Certified Angus Beef could have far-reaching and important consequences. When Kirke left for New Orleans and his meeting with the top officials of the

chain, the importance weighed heavily.

"I'd done my homework," he recalls, "and we'd been in contact through an exchange of letters and phone calls. So I got myself into a meeting where I had the opportunity to meet the president, vice president, the meat director, and a couple other senior executives." He left Thursday evening primed for a Friday morning session.

Enter fate and the capriciousness of airline connections and an unexpected layover in a cheap Atlanta

hotel with no hot water.

"I normally carry my luggage on, but this time I checked it." Lost. And since he was not scheduled to appear until next morning, Kirke was not dressed to the hilt—jeans, white flannel shirt, and "an old eskimo jacket that hung down to my knees." To add insult, a pen exploded prominently across the front of the white shirt so the effect was like a bulls-eye, one Canal Villere could sight on and skewer this hotshot from the illustrious Certified Angus Beef program.

Casually attired, with a ten o'clock shadow, and arriving at the meeting two hours late, he was escorted past several other pinstriped salespeople waiting to see this or that high official. "I made my presentation and I think they thought, 'Hey, they sent us a true cowboy, a true farmer.' My appearance seemed to relieve the tension."

The rest, as it's said, is history.

And, considering the future and fortunes of McKean Bros. Angus, that portion of the story is yet to transpire. The dispersion sale this fall will open the next phase. Knowing salegoers will haul home useful and herd changing genetics which might ease the pain. But bidding farewell to some faithful and maybe unforgettable cows is never easy.





Fledging telephone companies hired male operators at first but found there was too much horseplay among young men with time on their hands.

