



Dick Jurgens, is vice president of Interstate Producers Livestock Association, a cattle marketing cooperative based in Illinois.

Quality Time Marketing

Dick Jurgens can't afford to waste time on poor quality market cattle. That's why Angus cattle are on his preference list.

by Jerilyn Johnson

The trends and modern marketing tools of today's beef industry make exciting work for Dick Jurgens. Still, this well-respected marketer has very traditional beliefs when it comes to his business. Topping the list are quality and consistency.

"You have to maintain quality throughout if you want to stay in business," Jurgens says. "That's why I have a personal preference for Angus cattle. For the most part, they have never lost their desirable muscling or carcass quality, despite all the tinkering with frame size. Angus are a major player in the beef industry because of their strong genetics."

This marketing specialist knows beef production and beef producers well. He

works in the heart of the Corn Belt's beef production area as vice president of Interstate Producers Livestock Association (IPLA). IPLA is a cooperative marketing service for livestock feeders in the Corn Belt.

When he's not busy setting up cattle marketing contracts with packers or visiting with his fieldmen and farmer-feeders, Jurgens likes to attend cattle shows and carcass contests. He has judged major cattle shows, including the National Western Livestock Show in Denver and the North American International Livestock Exposition in Louisville, Ky.

Jurgens is in charge of cattle operations at IPLA. He works with nine fieldmen, who serve the area of Illinois,

Iowa and Missouri. They spend most of their time on the road, visiting farms, inspecting cattle and talking with packer buyers. Major packers they market to include IBP and Monfort.

There are no middlemen buyers involved. Cattle are marketed directly from farmer to packer. Only uniform lots of healthy, quality grade cattle are selected. Each fieldman knows the history of the pen of cattle he markets.

"Packers want them fresh off the farm," Jurgens says. "Our goal is to help pass down value-added product and price to the farm level."

Communication is also important. The fieldmen's cars come equipped with cellular phones to keep them in constant contact with the farmer-feeders, packer

buyers and with their home office in Peoria, Ill.

"Our job is to bring the packers to the cattle," Jurgens says. "We also give cattle producers advice on financing, management and cattle selection. Sharing dialogue with the farmers and packers is very important to us."

Jurgens says managing a cooperating market service is interesting work. "No two producers and no two cattle programs are the same," he says. "A producer who has a heavy forage emphasis will want to feed and market one type of cattle. A producer with a heavy concentrate feeding program will want another type. Each individual has their own breed preferences. Black, black baldy and crossbred cattle, however, dominate the cattle pens."

The days offeeding 50 or 60 head a year are over. A majority of the beef producers who join the cooperative have typical farmer-feeder operations, Jurgens explains. Smaller producers who can get together and pool their cattle and resources also participate. Basic management tools are used.

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willing and capable of handling risks. IPLA's job is to reduce that risk even further and increase cattle feeding profits.

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IPLA began in 1915 at the National Stockyards in St. Louis. Over the years, it served all major terminal livestock markets, including Chicago, Omaha and Kansas City. It grew right along with cattle feeding in the Corn Belt. Then came a revolution in the the beef

industry. Cattle feeding moved west to the High Plains of Texas, Oklahoma and Kansas. Large feedyards, economies of scale, and exact science feeding took over. Major packing plants soon followed.

This marketing specialist does admit the heyday of cattle feeding is over for the Corn Belt. In 1970, there were more than 42,000 farmer-feeders in Iowa with 1,000 head of cattle or less. Last year, IPLA estimated that number at 9,000.

It will be very difficult to get new packers in the area. Most want a reliable source of market cattle. It will be even more difficult to regain the competitive spirit these farmer-feeders once had.

Still, there has been somewhat of a comeback. Farmer-feeder numbers have stabilized over the past two years; some areas have actually experienced growth. Availability of feed grain and inexpensive feed byproducts, such as corn stalks, corn gluten, and brewer's grain, is one reason. Improved cattle market prices is the second, and perhaps more motivating, reason for this renewed interest.

IPLA markets approximately 250,000 head of cattle per year. Jurgens says more and more beef producers are looking into retained ownership and

other options. They want to be survivors in the beef industry.

To meet beef industry trends and reduce producer risks, Jurgens came up with two options for IPLA beef marketing.

The first is a custom feeding program. Under this option, IPLA takes ownership of the cattle. The farmer-feeder, in turn, manages and feeds the cattle. Last year, more than 12,000 head were marketed by IPLA under this program.

The second option is a backgrounding program. Producers raise or purchase 400- to 500-pound calves for backgrounding. The calves are grazed on forages or fed a combination of forages and concentrates. They are marketed as 700- to 800-pound feeder cattle, or they are put under retained ownership, fed out and sold at slaughter weight.

"This gives the producer more flexibility," Jurgens says. If the market is high, the producer can sell for a profit. If the market looks better down the road, then he can wait and sell at slaughter weight and at a better profit.

Also in the planning stage at IPLA is a third option — a custom feeding loan



"At this time, packers are more interested in value-added products than brand names."

program. Producers would borrow money to finance a pen of cattle at an area custom or farm feedlot.

Jurgens encourages producers to trace their cattle all the way to packer, if

possible, to gather carcass data.

"Seeing the carcass data firsthand and knowing how your cattle grade is very important," he says. "I wish all producers, especially seedstock producers, could do it."

Biotechnology and improved genetics have Jurgens excited about the future. "Someday soon we will have cattle cloning, sexed semen and built-in disease resistance," he says. "If you think about it, we are just in the embryonic stage of animal agriculture."

New and improved carcass and live animal grading technology will help improve and add efficiency to his business, as well.

This marketer is also excited about the American Angus Association's Certified Angus Beef program. He calls it a real success story. Jurgens believes the quality and consistency of the CAB product, its name brand recognition, and specification packers are helping overall market prices.

"Just think where it will go if we could solve the supply problem and get more black cattle to qualify," he says.

