

Communicate to Add Value

Open communication between segments can help determine actual ranch and feedlot costs and guide the implementation of practices that reduce costs while maximizing animal performance and carcass potential.

by Margaret Cook

Cooperation, communication and the collection of data are synonymous at Supreme Cattle Feeders, a 70,000-head feedlot near Liberal, Kan. According to John Parker, customer service representative, each of these elements is useless alone.



“We can compile all kinds of data on retained ownership cattle,” he says. “But if we can’t communicate and work with the owner, if we can’t use that data and plan for the future, then it’s useless.”

The communication process starts long before

cattle arrive at the feedlot. The goal at Supreme is to get out and visit the ranchers’ operations to get a general idea of their businesses.

“I want to know their health protocol, what genetic base they are using and what kind of past performance information they have on their cattle,” Parker says. “I evaluate all of that and then do a financial analysis with the producer.

“At Supreme, we look at the producer’s goals for today and their goals for five years from now,” he says. “We then lay their goals beside ours to see if we are on the same track. Many times producers don’t have established goals, so that’s often where I start — setting goals and finding our common ground, where what we do will be mutually beneficial.”

Randy Mills, a 2,000-head commercial producer from Florence, Kan., agrees on the importance of finding a feedlot with similar goals and a willingness to communicate. “Feedlots need to get as much information as possible from producers as far as how the cattle are raised and the health protocol,” he says. “That helps them determine what to expect from the cattle.”

Communication is the foundation

Parker says Mills provides a good example of a solid relationship built on communication. “Because we have common goals we can speak candidly with one another and stay on track. With Randy, we started at the ranch and know his genetics and health program. When we put that information with the growing amount of data we’re getting on his cattle, we can make adjustments and improve our management on each group of cattle he brings us,” Parker says.

“These communication strategies go beyond just the producer and the feedlot manager,” he adds. “As a

Certified Angus Beef [LLC] (CAB) licensed feedlot, we can emphasize the importance of a value-based marketing system.”

Working through CAB, Supreme provides its staff with continuing education. For example, all Supreme employees are currently learning how beef is marketed in the value-based system.

“CAB also provides us with reward systems to motivate our employees,” Parker says. “We recently had four groups of cattle reach “30-0” status — 30% or better *Certified Angus Beef*[®] (CAB[®]) or Prime with no

discounts. This is a good way to evaluate our staff, and it gives them a reason to learn more because it helps establish goals for them.” As a result, the staff understands the importance of sharing everyday cattle performance insights with management.

Shared responsibility

Some Supreme customers are so in tune with information flow and performance monitoring that they provide old closeout data to help determine when and how the cattle should be marketed, Parker notes.

In a retained ownership situation the biggest challenge is building trust, he says. “The feedlot and the producer must both have the attitude that we are going to rise together or fall together. That is also why we offer joint ventures at Supreme.”

The No. 1 reason retained ownership “fails” is a lack of communication between the rancher and feedlot, Parker states. “I cannot stress enough that this process must start long before the cattle arrive at the feedlot for the relationship to be successful.”

He encourages producers not to be intimidated, but to ask questions, even though they might not hear what they want to hear. “You have to be open-minded,” Parker says. “Are you really prepared to find out what you are raising? I like to ask

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producers, ‘Once you find out what is underneath that hide, are you willing to take a proactive approach to make changes?’”

Retained ownership should not be a one-time deal, Mills believes. “It may be discouraging. You might not like the results, but you have to keep in mind all the other factors — Mother Nature, and ranch and feedlot practices — and keep your target goal in mind.”

The importance of continued retained ownership cannot be emphasized enough, he says. He has been retaining ownership since 1984 when he first started receiving group carcass data to foster the goal of improving carcass merit without losing maternal ability. Group data was used primarily to evaluate sires, Mills explains.

As more studies started to

show the importance of individual data traced back to the sire and the dam, Mills began to track individual carcass data through Supreme Feeders in the early 1990s.

“Granted, it’s still not a perfect science, but it lets us make genetic improvements from both the dam and the sire sides now,” he points out.

Bottom line, according to Parker and Mills: Discover, by evaluating both ranch and feedlot practices, if your cattle really make money for you. Through open communication the two parties can determine actual costs at ranch and feedlot, and implement practices that reduce those costs while maximizing animal performance and carcass potential.

