FILLING THE NEED IN Nebraska

Each with three decades of experience feeding cattle, two Nebraska feedyard managers spell out the kind of cattle they look for to feed.

BY TROY SMITH

To a cow-calf operator, one feedlot looks pretty much like another. Well, there are similarities, but quite a few differences, too. Let's compare notes on a pair of Nebraska feedyard managers located barely 100 miles apart. (Nebraska does, after all, rank third in the United States for cattle on feed and first for commercial cattle slaughtered.)

Some differences are based on purely personal preferences, and some might be attributed to the fact that one specializes in custom feeding while the other owns virtually all of the cattle he feeds. Then note that the differences begin to blur when these feeders discuss the role that genetic selection must play in producing cattle that meet with acceptance by feeders and packers alike.

Bob Sears and Dick Bossen have both practiced their profession for more than three decades. Both have fed cattle of various breeds, finding that no single kind or color offers guarantees for gain, feed efficiency, carcass yield or quality. And both feeders recognize the challenge producers face as they try to select genetics that balance those traits with the fertility, maternal characteristics and disposition desirable to breeding herds.

Bob Sears is manager of Ainsworth Feed Yards, a 22,000-head facility that specializes in custom cattle feeding.

Bob Sears heads Ainsworth Feed Yards, located near the north-central Nebraska town by the same name. Steam-flaked corn is the basis for rations at this 22,000-head facility where custom-fed cattle represent 80% of capacity. Sears says ranchers who retain ownership are important to the customer base, but a majority of the cattle belong to what he calls "true cattle feeders." They aren't in the cow business. Their niche in the beef industry is feeding cattle. Quite a few are Dakota, Iowa and Minnesota cash-grain farmers who buy cattle to place in commercial feedyards.

Most of those cattle come to Ainsworth from the North and the West, purchased from ranches in Montana, the Dakotas, Wyoming and Nebraska. A large percentage come as calves — both steers and heifers. Sears says he is comfortable feeding both, noting that steers usually gain a little more efficiently, while heifers tend to meet carcass quality requirements more easily.

Stressing efficiency, Dick Bossen feeds only steers at his 7,000 head feedyard located near Arcadia. Most of them come from Nebraska, eastern Wyoming and South Dakota to be fed a ration based on high-moisture corn.

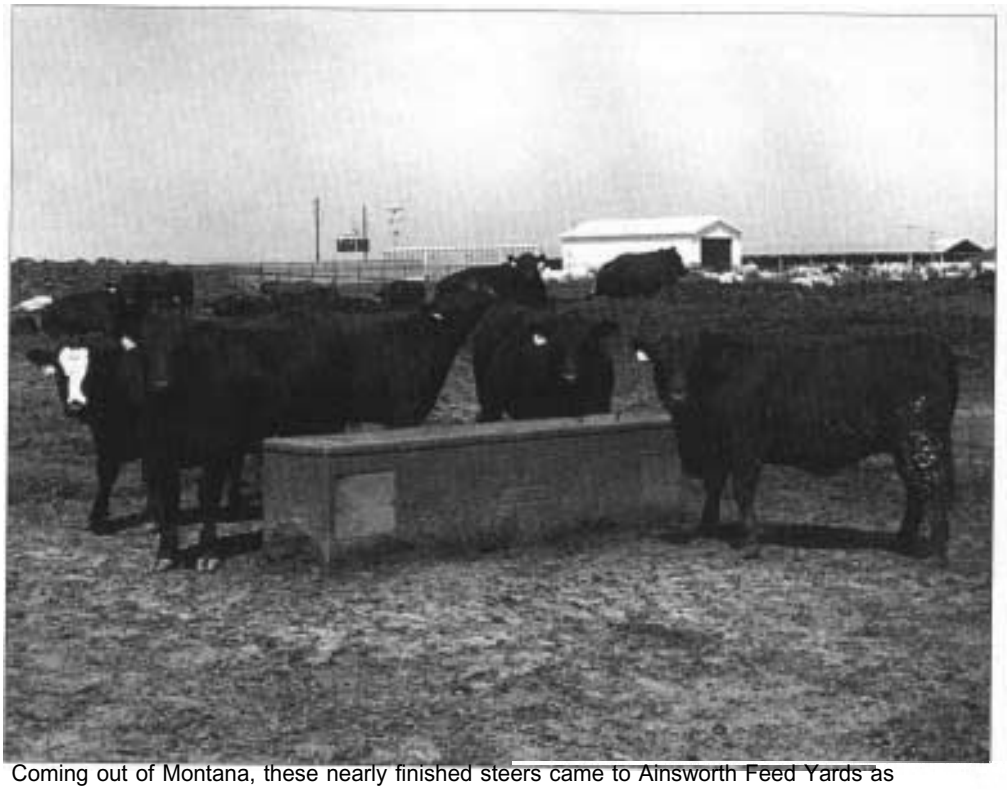
Bossen likes to feed yearlings, preferably 850-pound (lb.) blacks and black baldies. He buys quite a few through video auctions. When yearlings aren't available, he buys calves weighing 550-650 lb. directly from ranchers and through auction markets. Calves are almost always purchased from within a 100-mile radius, affording a short haul to the feedyard.

"I want calves that have been preconditioned prior to weaning, and I do want them weaned," says Bossen. "I don't want them too fleshy nor exceptionally green. I'd like them to be bunk-broke and at least started on grain rather than just hay-fed."

Sears admits that plenty of bawling calves are delivered to Ainsworth. He warns that pulling them off the cows and shipping them to the feedyard probably isn't the best way to go. To suit him better, calves don't have to be backgrounded, or even bunk-broke, but he advises ranchers to precondition and wean them first. He likes to see calves come in with a little maturity.

"That means they should be weaned on the ranch and accustomed to living on their own," Sears explains. "Pushing them hard from the start and ending up with 190 to 200 days on feed is too much. I think a more natural way would be to wait about 60 days before trying to put much grain into them."

Sears says narrowing the weight spread of the calves producers send to the feedyard would be advantageous. Bossen also discovers a lack of uniformity among some of the calves he buys, even when they come from the same source. A set of calves from a long-established herd can look fairly even, but a scale might reveal as much as a 75- to 100-lb. difference between the average weight of the top end and the average of the light end. Despite the practice of sorting the cattle into closely matched feeding groups, performance, carcass yield and quality grade can vary greatly, too.



Coming out of Montana, these nearly finished steers came to Ainsworth Feed Yards as backgrounded calves. On feed for about 140 days, Bob Sears expects them to Yield Grade as 1s and 2s, with about 90% grading Choice.

"More ranchers are trying to gather data on their herds, and it's an advantage to me if a seller has information about how his cattle have done before," Bossen offers. "If there's a good history behind them, the cattle are worth a little more to me. I could pay a better premium if the packer was offering me a better premium for the better cattle."

Bossen likes the grid-pricing concept, but he is uncomfortable with the way most grids currently work. A system offering premiums for above-average carcasses and discounting below-average carcasses is fine, but he believes there is too much spread between the premiums and the discounts. In other words, most premiums are relatively low compared to the severity of the docks. For that reason there is greater incentive to just avoid the discounts than to target a premium.

A $3 premium for the better-than-average kind is modest compared to a $25 discount at the other end, Sears agrees, but he's convinced that grids are helping move the industry toward a system based on true value. Under that system, packers will pay the most money for cattle hanging Yield Grade (YG) 1 or 2 carcasses that grade USDA Choice.

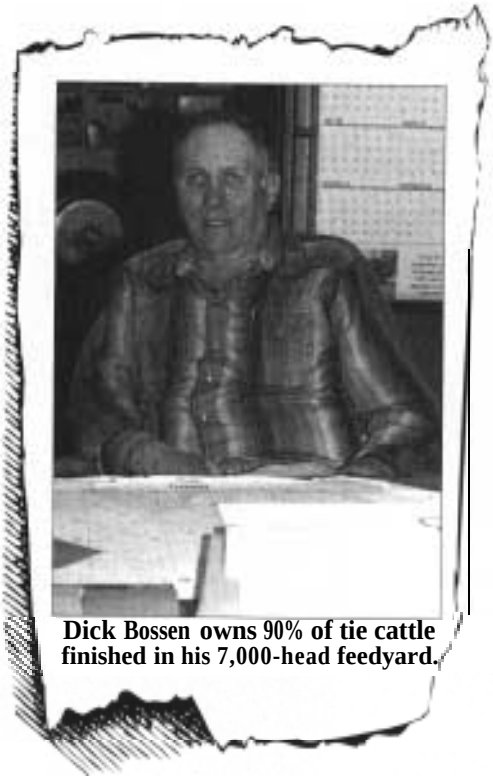
"We have to be consumer-driven, and most consumers want Choice, ones and twos. Those are cattle that put marbling inside rather than laying on outside fat. From a cost-of-gain standpoint, they aren't necessarily the most efficient to feed," offers Sears, "but we have fed fours that graded Select, too, and we sure don't need any of those."

Sears believes the goal is cattle that gain 3.5 lb./day or better and deliver 85% Choice, YG 1 and 2 carcasses that weigh 750-850 lb. It has to come genetically, he says, realizing that it is a tall order.

"It's very difficult, but there are herds that are there now," adds Sears. "But way too many producers have no idea what their cattle will do. We're trying to help our customers find out. Actually, we collect carcass data on every animal we feed."

In the past, both Sears and Bossen struggled with the task of gathering carcass information on the cattle they fed, mainly due to packer resistance. That seems to be changing. Information on loads is more readily available, but the gathering of individual data remains a costly endeavor.

"I have to commend the packers we work with — and there are five of them. Three years ago, getting data on a pen of cattle was tough," explains Sears. "Now they give it to us. With access to that information, ranchers really have an opportunity to find out what their cattle are and what they need to change. More need to take advantage of that opportunity and use the information as a selection tool to make those changes."



Dick Bossen owns 90% of tie cattle finished in his 7,000-head feedyard.