

New Age Breeders

If you want to predict the future you must participate in its creation.

— Jim Christensen

Throughout this "Herd Reference Edition" the *Angus Journal* staff focuses on how Angus breeders are filling the needs of their industry customers — commercial producers, stockers, feeders, packers, retailers, restaurateurs and consumers. A common thread throughout these pages is the demand and need for consistency and quality.



Unfortunately, the beef industry is plagued with the attitude: only have a small herd of 30 cows, so how big of a difference do my genetics really make? Because of this point of view, most producers have no idea how their cattle perform after they leave the pasture gate.

One of the biggest eye-openers for a cattle producer is the realization that many people are affected by their genetics. Working with John Crouch, American Angus Association director of performance programs, and Ron Bolze and Jim Stickley of the Certified Angus Beef [CAB] Program, your *Angus Journal* staff wanted to quantify the impact one bull could make in a single breeding season. For comparison purposes we looked at three average Angus bulls used in commercial operations — a young sire used naturally, an older herd bull used naturally and an artificial insemination sire,

The numbers may surprise you.

Consider Bull A, a 2-year-old turned out with 20 females in the spring of 1996. The females calve in early 1997. Assuming a normal pregnancy rate and preweaning death loss, we estimate 18 calves sired by Bull A are weaned in August. Four heifers are kept as replacements and the remaining 14 head [nine steers and five heifers] are sent to a feedlot and on to be harvested. The carcasses are split and dispersed among distributors, retailers and restaurants. Conservatively, a single carcass contributes to more than 723 consumer eating experiences. Bull A's progeny could potentially affect 10,122 consumers,

One bull. One calf crop. Ten thousand consumers who will be satisfied or dissatisfied with beef.

Bull B, a mature bull, is turned out with 30 cows at the same time as Bull A. In August 1997, 26 calves sired by Bull B are weaned. The commercial producer keeps five heifers as replacements and sends the remaining 21 head to a feedlot [13 steers and eight heifers]. After carcass distribution, the bull's progeny could affect 15,183 consumer eating experiences.

Bull C, a sire used by hundreds of commercial herds artificially, is bred to 5,000 cows in 1996. Considering death loss and pregnancy rate, 4,400 calves sired by Bull C are weaned. Of those weaned, 800 females are retained as replacements. The remaining 1,320 females and 2,200 steers are sent to feedlots. Allowing for a normal feedlot mortality rate, 3,485 finished calves are shipped to the packer. This AI sire's progeny could potentially affect more than 2 1/2 million beef-eating consumers (2,519,655) in a single calf crop.

Adding to the impact is that word spreads. According to the

1995 National Beef Quality Audit, one dissatisfied customer can lead to 960 potential patrons who won't return to a restaurant or who won't buy beef again. Because one dissatisfied customer tells 12, who tell eight, who tell five, who tell two more.

As producers of beef, seedstock and commercial producers need to think about the ramifications every time they make a breeding decision.

Last year we introduced six visionaries who are planning for their future in the beef industry and realize the possible effect of their management and breeding decisions. As promised, we'll revisit the three purebred Angus breeders, a university Extension specialist, a young Angus breeder who plans on returning to the farm and a commercial producer each year, tracking their goals and progress, until the year 2000.

These goal-minded, progressive producers are not scared to try new, innovative ideas in preparation for the new millennium. This group was selected based on their desire and dedication to use new marketing and management tools and to set goals that will guide them in the future. They, along with other Angus breeders and commercial cattle producers, are blazing the trail for others to follow,

All six "New Age Breeders" agree their success is dependent on customer demand. Each one takes an active role helping their customers with marketing and management decisions.

On the following pages you will read how they are filling the needs of their customers by producing bulls, females and steers that will satisfy each level of the beef industry chain.

They can still talk the talk and walk the walk,

— Angie Stump Denton



SAM HANDOS



PAUL BENNETT



STACY BUTLER



TIM OHLDE



JEFF DAMERON





Quality Magnet

With clear vision of the genetics he wants to produce and a reputation for top-notch management, Sam Hands has attracted partnerships from all segments of the industry.



ANGIE STUMP DENTON PHOTOS

Sam Hands and his family are adding value to their Angus herd by utilizing their resources with proper management techniques in the heart of feeding country.

Commercial cattleman Sam Hands is quick to tell everyone that success in the beef industry comes from finding their niche. This western Kansas operation has found its niche working with Angus breeders and their commercial customers.

Triangle H Grain & Cattle Company is a father-sons partnership, including cow-calf, stocker and finishing operations and 7,600 acres of cropland. After graduating from college, Fielding Hands three sons—Sam, Greg and Cedric—returned home to the family

operation near Garden City. Through the partnership the Hands family has pooled their resources, and each member has developed his own specialty within the operation. Sam, the oldest son, manages the cattle and forage programs.

The cow-calf division was started in 1957 with the purchase of 12 Angus females. When the boys returned to the operation in the 1970s, they implemented a crossbreeding program and experimented with several breeds. The brothers also made a commitment to retain

ownership of their calves through the finishing stage.

After experimenting with both British and continental breeds, they chose Angus for the base of their herd. Today the herd numbers 900 Angus-based females.

Each division of Triangle H's cattle operation has a role in utilizing the resources of the farming operation. Cleaning up crop residue while producing high-quality calves is the primary purpose of the cow herd. With limited acres of native pastureland available for summer grazing, they've developed a rotational grazing system with cool-season irrigated grasses. Sam says the irrigated pastures are temporary corrals until the cow herd can return to crop residue.

Adding value to feeder cattle is the goal of the Triangle H feedlot. This division is a marketing tool for grain and feedstuffs produced by the farming operation.

Purchased in 1985, the small farm feedlot was originally used as a preconditioning and growing lot. In the late 1980s the family decided to renovate the lot and finish their cattle at home. Today the lot has a capacity of 4,000 head. They finish their own cattle and custom feed for other producers.

Developing relationships with seedstock producers has helped the Hands family in many ways. Serving as a cooperating herd with Gardiner Angus Ranch, Ashland, Kan., embryos are placed in the Triangle H first-calf heifers. The Gardiner and Hands families partner 50/50 on the embryo

transfer (ET) calves.

Reflecting on his work with the Gardiners, Sam says, "We've enjoyed participating in the registered side of the business without having to start from the ground up."

The relationship is valued both ways. "Sam does a good job as a manager," says Henry Gardiner. "He is meticulous at recordkeeping, and his calves get enough to eat so they express their genetic potential."

Another seedstock producer who has worked with Sam for more than 15 years is Galen Fink, Manhattan, Kan.

Sam also has worked with seedstock producers, developing their bulls in the Triangle H Feedlot. For the past six years the Gardiners and Fansher Angus Ranch have been sending their bulls to Sam.

Henry says they send about half of their bulls each year to the Triangle H feedlot. "We appreciate their attention to detail and the individual attention they give to each animal," he says.

The Gardiners also send calves in sire evaluation programs to the Hands' feedlot. "They are big enough to be efficient, but small enough to pay attention to detail," Mark Gardiner says.

The Gardiners value the collection of individual feedlot performance data and how the Hands family sends optimum-finished cattle to the rail—not over- or underfed. "They optimize harvest times and maximize profit," Mark says.

As a commercial cow-calf producer, Sam says he sees the role of a seedstock producer as a

consultant in production practices and in helping provide customers with marketing avenues. He says seedstock producers should take the initiative to inform customers of potential buyers, markets and feeding opportunities, opening the lines of communication among the industry segments.

"The biggest problems have been tradition and independence in the cattle industry," Sam says. "There's been a tendency of one segment living off another rather than being committed all the way through. Too often the attitude has been: When the sale is done, it's your problem."

To improve relations between seedstock and commercial producers, Sam has four suggestions for seedstock producers:

1. Get to know your customers.
"Really know all you can about your commercial customers' operations — cattle, environment, objectives, market plans and so forth. The more you, as a seedstock producer, know about and understand the commercial producer, the better you can advise him and help him get from point A to point B."
2. Know your product.
"In return you have to know the product you've got and if the genetics you are promoting will do the job."
3. Be committed to knowing what your seedstock's progeny do.
4. Stand behind the genetics you sell.

"Even though a lot of this gets talked about and is recommended and published, I'm not sure it gets done on a one-on-one basis between seedstock and commercial producers as much as it should," Sam says.

Realizing it's hard for commercial cattlemen to establish a comfort zone with feeders and to develop a market for quality genetics, the Hands family works to develop relationships with seedstock

producers who have the genetics to perform in the feedlot and on the rail. Working with those seedstock producers and their customers, they try to fill their feedlot with predictable cattle.

"Our goal is that the cattle we feed come straight from a ranch, and that we know everything about them. It would be nice to have enough arrangements made to have every time slot full and to keep the feedlot full year-round with predictable cattle," Sam says.

Realizing some customers don't feel comfortable retaining ownership, the Hands family offers several options— custom feeding, partnering or buying.

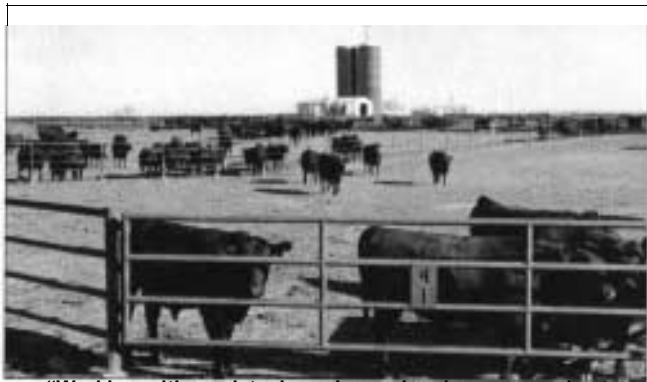
Wyoming commercial producer Bruce Weeter has been a Triangle H feedlot customer for three years. The relationship was started when Weeter was encouraged by Mark Gardiner to call Sam. The Weeters use Gardiner bulls in their artificial insemination (AI) program.

Although the two partners have never met face to face, Weeter will be sending his third set of calves to Kansas this fall to be fed by Sam. "I appreciate the attitude of mutual trust," Weeter says. "Sam takes feeding to another level."

The Hands family is dedicated to getting individual information back to their feedlot customers. How each calf performs in the lot and on the rail is sent to the commercial producer and the cooperating seedstock producer. Although collecting and reporting the data takes time, they believe the effort is worth it to get better calves in the future.

Sam says Triangle H could profit from hiring an order buyer to buy loads of misfits or general feeder cattle and keep their lot full year-round, but he enjoys working with the cow-calf segment of the industry and feeding more predictable cattle.

"It's not the type of program [buying misfits and generic calves] that appeals to me. That's why we're working with quality genetics and quality people who are trying to make a



"Working with seedstock producers has become our best advertising," Sam Hands says. "We really haven't done any advertising as far as promoting the feedlot. What has helped us is when seedstock operations mention us to their clientele."

positive difference in the future of the beef industry," Sam says.

For nearly a decade the Hands family has been marketing finished cattle to IBP on a grade-and-yield basis. "We've been willing to make the commitment and handle the risk to the rail," Sam explains. "Consequently, we've been compensated for taking that risk. The financial incentive has helped us focus and make necessary adjustments."

This year the Hands family is participating in some new marketing options while continuing their relationship with IBP. Wanting to get involved in a branded product, they purchased stock in U.S. Premium Beef (USPB), an alliance of cattlemen, feeders

and packers. Its mission is to increase the quality of beef and long-term profitability of cattle producers by creating a fully integrated, producer-owned, beef-processing system that is a global supplier of high-quality, value-added beef products. As a stockholder, Triangle H has slots to fill with finished cattle. The feedlot also is recognized as a feeder for USPB cattle.

Sam also has developed a relationship with Farmland Industries and Supreme Feeders and is now feeding some cattle for the Farmland Supreme Beef Alliance.

Through these relationships Sam hopes to give his customers and himself more marketing options and, in return, increase their bottom lines.



New partnerships

Wanting to expand their herd, but without the land resources available to sustain increased numbers, the Hands family is looking to develop new partnerships. Setting up satellite herds has allowed them to increase numbers without having to buy more land.

The program is set up to work with cattlemen who have the land and resources available to manage cow-calf pairs. The Hands family develops and manages the replacement heifers until they have their first or second calf [heifers in the ET program with Gardiners are not sent to satellites]. Once calved, the females and their calves will be placed at one of the satellites. The Hands family picks up the calves in the fall, develops the heifers and feeds out the steers.

The satellite's manager provides care, pasture, supplemental feed and labor, while the Hands family supplies the genetics and manages the calves from weaning to the packing plant or through heifer development.

Together they develop a management and breeding plan that will complement the satellite's grass season and resources. The Hands family suggests a health program and supplies the bulls or semen for breeding.



Listening To Their Needs

Virginia Angus breeder Paul Bennett provides the genetics and the services his customers demand.



ANDIE STUMP/DENTON PHOTOS

Paul Bennett of Knoll Crest Farm, Red House, Va., recognizes a key to profitability is his family's ability to keep production costs as low as possible. "Being committed to being a low-cost producer gives us a competitive edge," Paul says.

Interaction with and feedback from customers serve as a barometer of success for Virginia Angus breeder Paul Bennett. Keeping customer comments in mind, Paul works to produce what commercial producers demand from Knoll Crest Farms, Red House, Va.

Service will be the key to remaining competitive as a

seedstock producer in the future. "We've got to provide service along with genetics," Paul says. "Other people can AI (artificially inseminate) their cows to the same bulls I'm using. So there can be some similarities from a genetics standpoint in terms of what I'm producing and what my neighbors are producing. Maintaining a competitive edge

will come from the services we provide."

A family operation, Knoll Crest Farm is managed by Paul; his dad, James; and Paul's two brothers, Jim and Brian. Each family member has his specialty or interest within the operation. Paul's responsibilities include the management and marketing of the cow herd, including breeding decisions.

"We don't want to necessarily sell what we have, but rather provide our customers with what they need. We believe the three breeds complement one another."

The Bennett family manages 900 head of purebred cattle and 2,400 acres of land. Their farming operation includes corn, barley and oats, which are all used as feed for the cattle.

The Bennetts have been in the seedstock business since 1944 when Paul's grandfather bought his first registered Polled Hereford cattle. In 1963, after getting their feet wet in the business, they started collecting performance data and tracking beef improvement. Since that time they've added two breeds to their program and have been committed to keeping total

performance records on their Gelbvieh and Angus herds as well.

Through their involvement in hosting the Red House bull test, the Bennett family recognized the demand for Angus bulls. This encouraged them to expand their operation to include Angus in 1990.

The Bennetts firmly believe their commercial bull customers need to be crossbreeding and benefiting from heterosis. "There are very few commercial operations that wouldn't benefit from hybrid vigor," he says. "We don't want to necessarily sell what we have, but rather provide our customers with what they need. We believe the three breeds complement one another."

Today their herd has grown to 250 Angus females, 250 Gelbvieh females and 80 Hereford females.

Enhancing services

Expanding customer service at Knoll Crest has included delivery of cattle, satisfaction guarantee, a sight-unseen purchasing program, retained ownership assistance, partnering with customers on retained ownership and helping market commercial heifers

"We've really intensified giving our customers as many options as they possibly can have to market cattle at an advantage — a premium if possible," Paul says. "It's tough in the East, because we're so far removed from feeding and packer options."

Another customer-service tool the Bennetts are trying is to help customers market calves. In the East producers have several

handicaps in forming marketing alliances, Paul says. For one, the average bull customer from their area doesn't market more than 40 calves per year. Another disadvantage is the lack of feedlots and packing plants in the area.

The Bennetts have partnered with their bull customers, retaining ownership on their calves and providing a link between their customers and the feedlot. Their objective is to help their customers get paid for their genetics while collecting carcass data to aid in future breeding decisions.

Knoll Crest customers appreciate the Bennett family's willingness to help them retain ownership. "They didn't just sell me bulls. They took some of the risk," says commercial cattleman Tim Willis. The Bennetts bought 25% of Willis' cattle sent to Decatur County Feed Yard in Kansas.

Another satisfied customer and partner is Gary Teague, a commercial cow-calf producer and feedlot owner from Colorado. Teague has been purchasing bulls and using semen from Knoll Crest bulls for more than seven years.

Teague and Paul also work together in retained-ownership situations, partnering on Knoll Crest customers' calves.

"What Paul is trying to do with his breeding program works well in all segments of the industry. Knoll Crest cattle are balanced in all traits," Teague says. "They perform well in the feedlot and in the pasture, as well as meet the needs of consumers."

Accepting change

For 27 years the Bennett family managed the Red House Evaluation Center, a bull test sponsored by the Virginia Beef Cattle Improvement Association and conducted on their farm. Paul says they discontinued the test because:

1. They didn't feel like they were doing what they once thought they were in terms of evaluating



Dedicated to producing what their customers demand, the Bennetts have been breeding low-birth-weight cattle with high birth-to-growth spreads, optimum maternal traits and positive scrotal expected progeny differences (EPDs).

genetic differences for growth in cattle;

2. There was too much management variation before going on test; and
3. It allowed them to shift their resources to provide more services to their bull customers through facilitating retained ownership.

Another result of discontinuing the bull test, the Bennett family plans to host a bull sale in January. For years their primary focus was private-

treaty sales, which will continue to be emphasized, Paul says.

The Bennetts plan to invite their bull customers to consign commercial heifers in the January sale, providing another service.

Reading signals

The seedstock industry is becoming more competitive, Paul says. "The seedstock business is now on the scale of Wal-Mart. There is so much volume out there."

The Bennetts have intensified

their selection pressure, reacting to their customers' wanting the best genetics they can find. To meet those needs, the Bennetts are offering a diversified product line in terms of frame size, growth rate, birth weight, maternal, etc. Not only do they offer differences with three different breeds, they also are working to develop diversity within each breed.

In the last year, the Bennett family has put more emphasis on collecting carcass data and progeny testing herd bulls. Although they're looking at carcass traits as a selection tool, Paul warns, "We don't need to select for end product at the sacrifice of the production traits that dictate the profitability of cattle prior to going to the feedlot."

As Paul and his family look to the future, they have the goals for their operation to help them remain competitive in the beef business.

Those goals will keep them on track for providing the service and the genetics Paul says are necessary to remain competitive in the seedstock business.

Knoll Crest Farms' Goals

1. Expand in terms of numbers and variety of cattle. Develop a more diversified product line.
2. Continue to be more service-oriented and explore opportunities to enhance their customers' bottom lines.
3. Be more efficient. Continue to find ways to reduce production costs.
4. Evaluate all phases of production.
5. Aggressively progeny test herd bulls for carcass traits.



Filling Customer Appetites

Idaho Angus breeder Stacy Butler is dedicated to helping her commercial customers market their calves for a premium.



Idaho Angus breeder Stacy Butler provides services to her customers, helping add dollars to their bottom lines. Managing cows and kids, she takes an active role in breeding, marketing and management decisions concerning the Butler family's Angus herd.

"The coffee pot's on and the cinnamon rolls are baking"

This is an open invitation Spring Cove Ranch customers have come to appreciate and recognize. Providing services to customers and making them feel comfortable and welcome are the foundations of Stacy and Art Butler's marketing philosophy.

The first step to servicing the customer is offering the genetics that can make it happen in the pasture, in the feedlot and on the rail, explains Stacy. "Our program is based around the

fact consumers want to eat consistently tender, juicy beef and that commercial cattlemen and seedstock producers need to make money producing that product. We believe it all comes back to genetics," she says.

Stacy and Art manage their registered Angus under the same "real-world conditions" their commercial bull buyers in southern Idaho and northern Nevada experience. The Butlers have dedicated their program to identifying the genetics that will consistently produce a high-quality beef product that will meet consumer demands.

To meet those demands, Art and Stacy made a commitment in 1985 to use sires with actual carcass data. Their goal is for all Spring Cove Ranch progeny to have interim expected progeny differences (EPDs) for carcass traits.

Serving customers

Along with customers visiting the Butlers' place; Stacy, too, makes an effort to visit customer operations.

"Our customers are hungry for information," she says. "We make ourselves available to them to answer questions concerning marketing possibilities, synchronization programs, sire selection and carcass data interpretation."

For several years the Butlers have been committed to helping their customers in marketing. They've invited their commercial bull buyers to sell heifers bred to Spring Cove bulls, or heifers out of Spring Cove bulls bred back to Spring Cove bulls, in their annual Cattleman's Connection sale each December.

They also have developed a Spring Cove feeder cattle directory. Stacy's goal for the directory is to catalog the calves raised by their customers and get the information into the hands of feeders interested in those genetics.

She mails questionnaires to Spring Cove bull buyers requesting the data on their calves, their health programs and nutrition programs. She compiles the information, designs the directory and distributes it to order buyers and feeders in the Northwest and Midwest.

Another step the Butlers took to help with the communication between their commercial customers and feeders was hiring P&L Marketing LLC, a marketing and consulting company. Stacy says they chose P&L over the other alliance programs because of the variety of options the program offers.

At no cost to their customers, P&L is available to help them:

- Market cattle (feeders, replacement heifers and finished cattle);
- Assist with retrieval and analysis of carcass and feedlot performance data;
- Analyze production costs; and
- Develop long-term breeding and marketing programs.

"P&L did a tremendous job spending time individually with our customers, answering marketing questions," Stacy says. "They helped them understand the carcass evaluation process and evaluation of carcass data. P&L is determined to develop a long-term relationship with our customers."

One customer who has valued the relationship is Percy Ranch of Mountain Home, Idaho. Jim and Steve Percy have bought Spring Cove bulls for nine years.

"Last year I did my own marketing," says Jim. "It took me more than 50 phone calls to get my calves marketed. This year I made one phone call to Phil Lulich of P&L Marketing.

"As a commercial producer you can't do or be everything," he adds. "The key is to find people who do a good job raising seedstock and who can hook you up with people who have the expertise in marketing

and the same goals as you do.”

The Percys have found that in Spring Cove Ranch.

New strategies

To meet the needs of their customers, the Butlers use several strategies to increase efficiency and quality. They use artificial insemination (AI) and embryo transfer (ET) as part of their management regime. Stacy says using the reproductive technologies allows them to produce more full brothers for their commercial bull buyers, which in return, will help them breed more consistency into their steer calves.

The Butlers have an extensive embryo transfer program, collecting more than 400 embryos per year. Complementing their ET program is an arrangement between the Butlers and Roseda Farm of Monkton, Md.

Manager Dean Bryant and owner Ed Burchell wanted to expand the Roseda herd but didn't have the land resources available. After doing a national search, they chose Spring Cove Ranch because they felt it was the best carcass-based operation in the country,

They purchased several females from Spring Cove and 70 recipients. The recipients are managed in Idaho where Stacy and Art put in Spring Cove embryos.

The cooperative agreement includes splitting the calves. Spring Cove keeps two-thirds of the bull calves and one-third of the heifers. The bulls stay in Idaho and are developed and marketed by the Butlers. The females are shipped to Maryland.

“The relationship is built around mutual benefit,” Bryant says. “In our area we don't have a bull market. And,” he adds, “we appreciate the knowledge and technical skill Art and Stacy bring to the relationship.”

To increase the efficiency and conception rates of both programs (AI and ET), the Butlers purchased the

HeatWatch Program in the spring of 1997. This computerized heat detection program displays the intensity of a female's cycle and helps determine the best time to inseminate.

“The HeatWatch Program does save hours in detection,” Stacy confirms. “We have found it to be an excellent tool. Our biggest challenge is to keep the patches on the cows and keep the transmitters working.

“The biggest advantage we see is the opportunity to time the breeding according to the onset of the individual heats. This has helped our ET program through more precise donor management,” she says. “We were surprised how many heats were happening in the middle of the night.”

Last year they used the system on replacement heifers in lots near the farmstead. This spring they are using it on recipient females at a remote location, 15 miles from the ranch. Using fax machines the Butlers can track the heat cycles of the recipients. The system is working, especially since you have seven days after a recipient comes in heat to place embryos.

Although the husband-wife duo has implemented the use of ultrasound for pregnancy detection, they have not used the technology to determine carcass traits. “We still feel that our dollars are better spent on individual carcass sire evaluation,” Stacy says.

Reaffirming their commitment to carcass EPDs and proven sires, the Butlers test several bulls a year in the Sire Evaluation Program.

2000 and beyond

As Stacy looks to the year 2000 and beyond, she has set goals for Spring Cove Ranch and the Butler family. These goals include:

1. **Continue to build relationships with P&L Marketing and their commercial customers.**
2. **Become more involved as an ambassador for the beef industry through the**



“The Butlers are producing seedstock that will survive in the high-desert range of Idaho with calving ease and the ability to maintain condition,” says Spring Cove Ranch customer Jim Percy. “They (Spring Cove bulls) sire calves we're going to be able to sell — what the market is demanding.”

Idaho Cattlemen's Association and the National Cattlemen's Beef Association.

3. **Increase involvement with commercial producers.** Spend more time visiting customers' ranches, going through their calves and being more involved with their genetic selections. Offer advice and direction to their breeding program,
4. **Conduct sire evaluation of more bulls, possibly even feeding some of their own cattle as their commercial herd increases.**
5. **Move their production sale to the ranch.**

The Butlers are in an expansion phase with the cow herd, building toward 200 cows. To achieve this they plan to develop a more intensive ET program. They also plan on implementing sexing and splitting embryos in the future

and possibly selling embryos internationally.

Life's lessons

“It is an exciting time to be in the seedstock business,” Stacy says. “The tremendous database available to Angus breeders allows us to ‘genetically’ design our matings to meet all of our goals.

“I foresee the days of stereotyping bulls as ‘carcass bulls’ or ‘calving ease’ bulls will soon be obsolete. Through further carcass evaluation and gathering of performance data, there will be Angus sires available that can do it all—calve easy, grow quickly, produce easy-fleshing, fertile females that produce calves that will meet the demands of the consumer for a consistent, quality product.

Through genetic discovery the possibilities are endless.”

Tried-and-true seedstock producers

Angus cattle have roamed the ranges leased by Spring Cove Ranch near Bliss, Idaho, for 79 years. The ranch, located in southern Idaho, was homesteaded by Arthur H. Butler, Art's grandfather, in 1916.

Arthur worked for the Northside Canal Company and helped with the construction of the Northside Canal system that runs through the ranch. This canal system has converted acres of desert, sagebrush and lava rocks into fertile cropland and pastures.

To improve the land, when Art and his brother Dan, returned to the ranch after graduating from college, they installed a pivot irrigation system. Irrigation has made the land on their high-desert ranch productive, even though they receive less than 8 inches of rainfall per year.

Today Stacy and Art manage the cow herd, and Dan manages the 500 acres of cropland.



A Kansas Renegade

Angus breeder Tim Ohlde focuses on the female side of production.



Accepting the challenge to produce functional females, Kansas Angus breeder Tim Ohlde selects for fleshing ability, longevity, fertility, feet structure and udder soundness.

A standing room-only crowd filled Clay Center Livestock Commission on April 3. Although depressing conditions fated the area, with the bulls and onlookers standing knee deep in mud, it did not stop believers in functional females and Tim Ohlde's breeding program.

Producing Basic Blacks — low-birth-weight, strong-maternal, cost-efficient performance cattle that are easy-fleshing and require minimum maintenance — is the foundation of Ohlde Cattle Company (OCC), Palmer, Kan. "He's got bulls that will produce females that will work

in the real world," says Ohlde customer Roger Jauer, Hinton, Iowa.

A customer since 1990, Jauer, a registered Angus breeder, has bought four bulls and uses only Ohlde-owned bulls in his artificial insemination (AI) program. He appreciates the low-maintenance, cost-efficient genetics.

"I buy from Tim because of his integrity and credibility," Jauer adds. "He tells you how it is. That is what I'm looking for in a seedstock source."

Angus foundation

With a long history in the cattle business, experimenting with several breeds, Tim chose to incorporate Angus in his breeding program in 1986. Along with his registered Angus herd, Tim has a herd of Amerifax — an American breed that combines the genetics of Angus and European dual-purpose Friesian. He describes the Amerifax cattle as a breed of moderate size with superior performance, muscle, volume and maternal excellence.

To accompany his Amerifax, Tim also designed the Angus II program using Angus genetics. Angus II is a planned effort to produce cattle that are a high percentage Angus, seven-eighths or more, with more consistent fertility, performance and milk production, but the same or improved calving ease, muscle and fleshing ability of his registered herd. Tim says the Angus II females and bulls have nearly identical genetics to his registered Angus cattle but have added hybrid vigor and better carcass quality. A recent group of Ohlde Angus II steers graded

96% Choice, 95% Yield Grade 1s and 2s; 43% met *Certified Angus Beef*TM specifications.

Today the Ohlde herd has grown to 300 registered Angus females and 400 Amerifax and Angus II females.

Tim enjoys designing genetic matings — trying to match the right cow and bull to produce a female better than her mother. He sees the genetic challenge on the maternal end of beef production.

Producing females is our program, Tim explains, adding they're not overly concerned with bull sales. "I like stout, easy-fleshing, beautiful-uddered cows that take very little feed and bring in a calf every year. They must all be attractive, structurally sound and have a good disposition," he adds.

For several years, through much criticism, Tim worked to promote moderate-sized Angus cattle, while other breeders were still breeding for increased frame size. With the use of linebreeding and embryo transfer, he accelerated and concentrated the genetics of those base females.

Customer connection

Helping his customers market their cattle is a goal of Tim's. Instead of participating in carcass alliances focusing on steer calves, he is dedicated to helping his customers market their females. He encourages them to develop a female-producing breeding program and make a premium selling excess females instead of steers. He says the steer calves can still have carcass quality, but it's easier to sell quality females for a premium.

Currently the female market is phenomenal, Tim says. He has a greater demand for females than he can produce, so he sends interested buyers to his bull customers. By marketing females he predicts his customers can anticipate a \$50 to \$200 premium versus selling steers for a \$20 premium.

South Dakota cattleman Jim Melius finds value in working with Tim to merchandise replacements. Melius has been buying bulls from Tim sight unseen for the past 15 years. With a 300-head cow-calf operation and a 2,000-head backgrounding feedlot, Melius appreciates OCC genetics because of the females' mothering and milking ability and their feedlot performance and carcass traits.

Another satisfied customer is Gerald Stokka, Manhattan, Kan. "It's not just good genetics you're purchasing," Stokka says. "Tim also helps you market your program."

Tim is a seedstock producer focused on serving the commercial market "Tim looks at the commercial aspect of the female-producing sector and produces accordingly," Jauer admires. "Almost all others are producing to fit the terminal market."

Worried that Angus breeders might be getting too terminal-oriented, Tim says, "As a breed we've got to maintain a carcass emphasis, but not jeopardize maternal traits along the way."

Commercial cattleman Steve Edwards, Salisbury, Mo., adds, "Tim's operation is the most on-target for what we are needing."

Edwards has been buying Ohlde bulls for the past three years. "We like what we are getting — easy-calving, easy-fleshing females with depth of rib that can survive on fescue," he says.

Future focus

After evaluating his goals and resources, Tim is planning to reduce his herd size. "We've got

too many cattle and too few people," he says.

While culling the herd, he will continue to select for a uniform set of 1,100- to 1,300-pound (lb.) cows with "perfect" udders and sound structure that will wean 600- to 650-lb. calves with no supplemental concentrate or supplemental feeding.

To increase uniformity he plans to linebreed his cattle even more. Instead of linebreeding bulls, he will linebreed females. In the future he predicts most of his herd will go back to five or six foundation cows.

Another goal is to improve the efficiency of his herd, breeding cattle to have a lower cost of production.

Focusing on the use of forage production, Tim plans to more intensely graze winter forages and use less harvested forages. To achieve this he will select females with increased fleshing ability and better forage conversion. Keeping the pounds of calf weaned the same but decreasing cow size should require less feed, he says.

Selecting cost-efficient cattle has always been a priority for Tim. "I realize heavy weaning weights and the selling price received for one's calf crop are important, but they are really only a small part of the total economic picture for the long-term profitability of a cow herd," he says.

Tim hopes reducing the herd will allow him to spend more time visiting customer operations. He also hopes to improve relations and communications with current and potential customers by developing a newsletter. The promotional piece will explain the Ohlde Cattle Company genetic philosophy along with testimonials from current customers.

Tim plans to continue to test and identify bulls that will work for his program. He encourages his customers to retain ownership and share carcass data with him. "We need to retain ownership and get data,"



At his annual bull sale in April, Tim Ohlde offers his customers heavy-muscle, easy-fleshing, moderate-framed, structurally sound bulls designed to increase net profit through their ability to improve cow-herd efficiency by moderating cow size and reducing feed costs while maintaining production.



Valuing feedback from his customers, Tim works to produce what they are demanding — thicker, easier-fleshing cattle.

Tim explains. "The more carcass data we can get, the more data we have to prove this type of cattle doesn't carry excess fat."

A true renegade, Tim has found success in the cattle

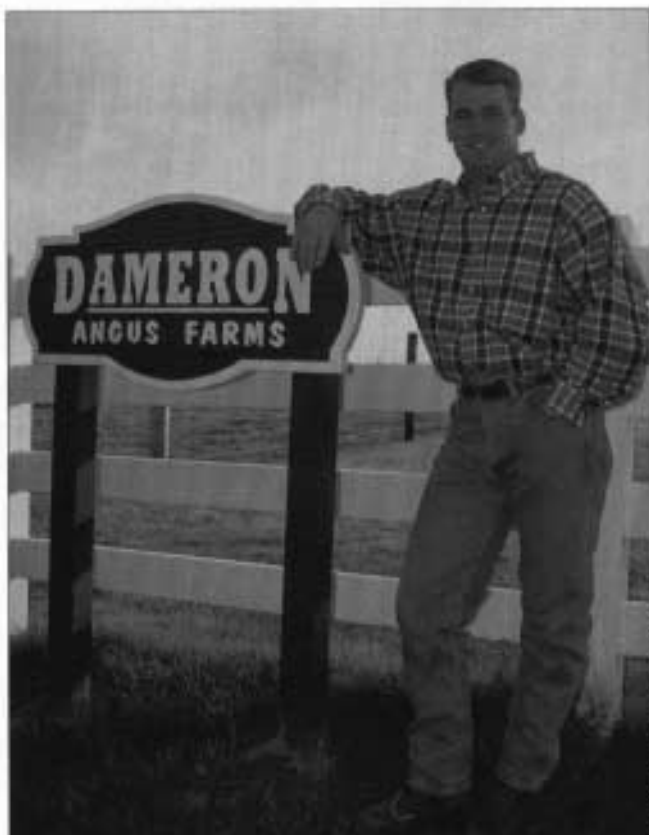
business by envisioning changes and making them despite adversity and ridicule. That's a characteristic his customers have come to appreciate and count on.





GENERATION NEXT — Taking Care of Customers

Jeff Dameron has found filling the needs of farmers as a chemical representative is a lot like servicing commercial bull buyers.



Jeff Dameron plans to return to the farm someday, but first he wants to explore the complex agribusiness world to develop the skills that will make him a better Angus marketer and businessman.

Growing up on an Illinois farm where Angus cattle and corn thrive, Jeff Dameron learned the value of customer service at a young age. Today he relies on those experiences and values as a crop protection sales and marketing representative for Cyanamid.

Although he has an off-the-farm job, Jeff still remains active in the Dameron family operation on a part-time basis. He spends free weekends and evenings helping with chores and farm work.

"My experiences away from the cattle business have been invaluable. They've helped me develop a better understanding of today's agribusiness sector and the skills needed to survive in the future of agriculture," Jeff says. "I hope to one day utilize these skills and experiences when returning home to the family farm."

Located in central Illinois, near Lexington, the Dameron family's operation consists of 170 purebred Angus cows and an 1,100-acre grain farm.

Cattle vs. crops

Jeff says there are more similarities than differences when comparing the Angus business to his current position. "People want to feel important. They want to feel they have your attention and your respect," he explains. "In this job it's a lot of little things that make the difference. You only have to falter or hesitate once and you've lost that customer."

Success in both businesses comes from the ability to differentiate yourself and provide service to your customer better and more quickly than anyone else. "I don't deny, you must have a good product that is a solid fit for your customer, but many times it is the little things that bring the customer back.

"If you don't service the customer, someone else will," he stresses. "There are only so many customers out there; and there are products out there that will do similar things that will fill their needs."

Standing behind your product also is important in both the cattle and crop-protection business. If a customer has a problem, the Dameron family makes it right. "Integrity is the most important thing a person has," Jeff says. "As soon as you don't stand behind your word, you're not going to lose one customer—you're going to lose several. People talk; word of mouth travels fast."

When faced with a complaint from a customer, in both the cattle and chemical industries, marketers need to evaluate the present situation and consider the next year's sale potential. "How can I service and take

care of this customer so when he makes a buying decision in 1999, he'll think of me and my products and what I did for him in 1998. That's a key," Jeff says.

Customer needs

To meet the needs of their customers, the Dameron family is providing more useful data to aid them in their buying decisions. At their spring bull sale, customers were provided ultrasound information, including backfat measurements, marbling scores, ribeye measurements and scrotal measurements. All bulls were semen-checked.

"Hopefully we are also filling the needs of our customers by continually breeding and raising genetics that fit their operations," Jeff says. "When we evaluate possible sires to use in the upcoming year and discuss the direction we are going with our breeding program, we always keep our loyal customers' operations in mind. If we are going to maintain that customer, we need to provide him what he wants, not necessarily what we want."

Looking toward the future, Jeff says producers are going to have to raise the type of product their customers are demanding. For instance, take a look at the seed corn industry, Jeff says. "For years and years we raised No. 2 yellow corn. Every farmer in America did. In the last two to three years we've seen more and more specialty and more and more end-user grains being produced. We're producing high-oil corn; we're producing low-cholesterol corn. If you would ask grain experts, their expectation in four to five years is that most of the corn

produced in the United States will be a specialty crop of some sort.

"In a lot of cases," Jeff predicts, "the beef industry is moving the same direction."

Different markets

"Managing an \$8-million territory has opened my eyes to the competitive nature of the ag industry and the move to fewer and larger producers," Jeff says. "The company I work for is similar to the Angus breed in the sense that we are the market leaders in our respective industry. However, I have been quick to learn that the competition is extremely intense and, while I believe my products are superior, the truth is they can be replaced, much like the breed we represent."

The seedstock industry in Illinois has become a more competitive business. In the last 10-15 years, the Damerons have seen a decrease in the number of small cow-calf producers in their area; thus they've lost a lot of their basic customers. To fill this void they are finding different ways to develop markets for their cattle.

For years the Damerons have unintentionally placed more emphasis on raising females. Looking to expand markets and better serve customers, "we are striving, as most breeders are, to find a better balance of breeding for offspring that can now fit both our female and bull customers," Jeff says.

The Damerons also are putting increased emphasis on carcass trait selection. "With the increased demand for animals with positive carcass traits, we are selecting sires that meet this need but still offer us consistency," Jeff says. "While there are many new young sires that offer exciting carcass traits, I think it's important in a herd our size not to overextend yourself on a sire that is not yet proven.

"This is not to say I am not a risk taker, because I believe it is that type of person who ultimately brings the new

genetics and ideas to the forefront. However, you must keep in mind that in the beef business a poor breeding decision today will ultimately affect your herd for several years to come. If a breeder decides to make a radical change in his breeding philosophy, then he must also be willing to find new customers to take the place of one he may lose due to his decision."

A significant event this past year for the Dameron family was hosting their first bull sale March 22 at the Real Livestock Center, Congerville.

"Many buyers had purchased animals in our fall production sale, and it was encouraging to see their interest in our genetics carry over to the bull sale," Jeff says. "Likewise, the sale generated several new buyers both from local areas as well as out of state. Hopefully we will have an opportunity to build relationships with these new customers and continue to support them in the future."

Future emphasis

Jeff attended a beef workshop at the University of Illinois last spring called Beef 2000. The program was a two-day seminar that evaluated the beef business from the producer to the consumer. "The program reinforced my belief that as producers we have to find ways to be more consistent in the product we produce, and as a breed we have to be more creative and aggressive in marketing our beef," Jeff says. "We're still relying on the fact that we raise cattle, feed them some feed, send them to the slaughter house and then we're done with them."

Jeff is confident the day will come when his customers will see the trickle-down effect and be compensated for producing a product on a consistent basis that meets consumers' needs. For years the Dameron family's philosophy has been to support the customer. "Our success relies on their success," Jeff says.



The Damerons use artificial insemination (AI) and embryo transfer (ET) in their management program. With their AI program they try to breed each female once. ET has allowed them to reproduce valuable genetics within their herd.



Jeff stays involved with the Dameron family operation, helping on weekends and evenings. Looking to the future, the Damerons are working toward a more self-sufficient and less labor-intensive operation.



Follow the Leader

University Extension specialists help educate cow-calf producers about new marketing and management concepts.



DAIN PETHIGREW PHOTO

As the beef industry evolves, it's becoming more service-based, says Don Boggs, South Dakota State University Extension beef specialist. He believes to remain competitive seedstock producers will have to become more service-oriented, working with their customers.

As children we are instructed to follow the leader. Teachers would say, "Stay in a straight line and walk quietly to the lunch room or the music center." Troublemakers who didn't follow the rules were reprimanded. The teacher would put their names on the board, and they'd have to stay after school or miss recess.

Cattle producers have a tendency not to follow the trendsetters. Each has a different way of doing things. In many cases this practice or act of caution might be a smart idea. But when it comes to customer relations, seedstock producers need to follow the leaders who are taking the concept of customer service to a higher level.

"The seedstock industry is going to become more of a people industry — a service industry," says Don Boggs, South Dakota State University (SDSU) Extension beef specialist. "With all the tools out there, a lot of producers can provide the same type of seedstock product, but the truly successful business people will offer more services and more

marketing help to their customers."

He encourages seedstock producers to help their customers with breeding decisions, marketing plans and feeding out cattle.

Growing up on a grain and livestock farm in central Illinois, Don was active in 4-H and FFA. After receiving his bachelor's

degree from the University of Illinois, he decided to further his education by getting a master's degree at Kansas State University and his doctorate at Michigan State University.

Don spent six years at the University of Georgia where he did beef nutrition research and coached the livestock judging team. For the last 9 1/2 years he's been at SDSU. In his position he interacts with South Dakota beef producers on a daily basis, helping them find success in the beef business. On the side, Don and his family also have a small Angus herd.

Dedicated to the beef industry professionally and personally, he's active in several beef associations and groups. He was recently appointed executive director of the Beef Improvement Federation (BIF) (see sidebar).

No matter what your profession, there's always a need for further education. One group who is working to keep beef producers up-to-date is university Extension specialists. Don says university personnel are dedicated to helping their constituents by providing them with information on how to be successful. Currently, the emphasis is on end-product value and helping their constituents make marketing and management decisions based on that value.

"Seedstock producers need to provide genetic and performance information to their commercial bull buyers," Don says. "And that information needs to be passed on down the marketing line."

This practice could lead to higher premiums. He also encourages seedstock producers to request performance and carcass information from their customers to see how calves sired by their cattle performed. This information should be

evaluated and considered in future breeding decisions, he says.

Through educational efforts

Don and his cohorts are taking steps to ensure their constituents realize they are more than cattlemen. "They are part of the food chain," Don emphasizes. "They are not just producing calves. They are producing beef."

When the people he works with realize they are producers of beef, he says they become more dedicated to determining the merit of cattle beyond the ranch. "They make an effort to keep current with management — emphasizing factors that determine value difference," he says.

One way universities are helping is by revitalizing or continuing feedouts or value discovery programs. These programs help smaller producers who want to see how their cattle will perform in the feedlot and on the rail.

New trends

Another role of Extension specialists is helping producers make marketing and management decisions based on current market conditions.

"A year and a half ago we saw a \$20 spread between Choice and Select," Don says, "which increased the interest of selection based on carcass traits. However, during the last six months we have seen the spread collapse."

With the collapse and lack of value-based marketing, Don says there has been a reduced emphasis on carcass quality when buying seedstock this year, mainly because of the lack of reward for quality.

He says he feels the industry is not as far into recovery for this cycle as once thought. "I don't think we're in an expansion mode yet," he says. "We need

Boggs named BIF executive

Don Boggs, South Dakota State University (SDSU) Extension beef specialist, has been named executive director of the Beef Improvement Federation (BIF).

BIF is a federation of state beef cattle improvement associations and national breed associations dedicated to improving the profitability of beef operations by improving the quality and performance standards of beef cattle.

Boggs assumed the position at the BIF annual convention in Calgary in early July. He will direct the activities of the nonprofit organization from his office at SDSU. For more information about BIF, contact Don Boggs at (605) 688-5448 or E-mail: boggsd@mg.sdstate.edu.



one more year of good calf prices, in my opinion."

Don says there are two keys to increasing beef's market share. As an industry we need to produce a more cost-competitive product and develop more convenient products for consumers to prepare and serve.

Listening to customers on all levels, from commercial

producers to consumers, is of utmost importance if seedstock producers want to remain competitive. Producers who don't follow the leaders and serve their customers won't be kept after school or have to miss recess. However, their punishment might be fewer repeat customers.

