

Feeding Options



A SUPPLEMENT TO THE ANGUS JOURNAL

Feeding Options

Weaning time is soon approaching. If you haven't already, it's time to plan for what you will do with your feeder calves.

For this special "Feeding Options" section, the *Angus Journal* staff has put together a montage of stories featuring some of the various options available. You'll find examples of producers who sell calves at weaning, as well as those who retain ownership through the feedlot phase — even to the retail counter.

Producers are expending considerable effort trying to get feedlot and especially carcass information on their cattle. We talked to two feedlots who are providing that information. You might not even have to retain ownership to get the data! We also talked to producers who have put cattle into carcassfeedout programs to get the information.

In this section:

- 2 Selling Yearlings**
Do grass yearlings fit a modern beef industry?
by Troy Smith
- 6 Something Extra at Weaning**
Penner Ranch capitalizes on a reputation for quality steers and heifers to earn a premium at weaning.
by Christy Couch
- 10 Time for Change**
An Iowa feeder offers opportunity to cow-calf producers wanting to get performance and carcass information on their cattle but not wanting to retain ownership.
by Brad Parker
- 14 Beef and Potatoes**
This Pennsylvania feedlot serves as the environmental answer to a snack-food manufacturer.
by Janet Mayer
- 18 Brand Connection**
Express Ranches reinvests in EXAR genetics by working with customers and developing its own branded beef program.
by Angie Stump Denton
- 22 Providing an Education**
Angus breeders across the country are learning valuable lessons by enrolling in carcass feedback programs.
by Lori Gilmore

Do Grass Yearlings Fit a Mode

BY TROY SMITH

T astening of the beef production cycle is complicated by the fact the average cow still raises but one calf each year. Consequently, many producers have focused their attention on shortening the time required to get that calf grown, finished and off to the packer. Through genetic selection and aggressive feeding programs, taking calves to harvest by 13-15 months of age has become an attainable, if challenging, goal.

That has fostered predictions that yearling feeder cattle would eventually become as rare as 2-year-olds are today. Yet many cattle feeders admit the challenge of pushing calves along the high-concentrate fast track to acceptable slaughter weight and carcass quality grade leaves them clinging to a preference for feeding yearlings. Some feeders even admit that experience with calf-fed cattle has reinforced the belief that a desirable outcome is still more predictable when calves are grown awhile on a more-natural, high-roughage diet.

Dollar appeal

For the ruminant animal, there's nothing more natural than range. Plenty of range-country ranchers still summer their yearlings on grass. It's not for the sake of tradition either, for many of these producers manage integrated operations complemented by farming enterprises, which expand feed resources, plus progressive marketing schemes that include retained ownership. The reasons are economic. The ranchers view grass yearlings as a good fit for their emphasis on low-cost production.

The appeal of yearling grazing systems varies with producer resources and cattle type. Such systems are quite popular on the Northern Plains, says Brad Johnson, South Dakota State University (SDSU) Extension beef specialist. "Straightbred and 50-50 Angus or other English crosses often offer more flexibility for applying grazing programs, and there can be economic advantages to growing them on grass — notably, a lower cost of gain. Grass gain costs usually range from 30¢ to 40¢ per pound, and that's fairly cheap compared with 50¢ to 60¢ in a feedlot. You're adding value with lower inputs."

Keeping inputs low is the philosophy practiced by Bart Parsons, who ranches near Milesville, S.D. With his son and son-in-law, Parsons manages a commercial cow herd in the rough Cheyenne River country. Terminal crossbreeding is practiced, but replacement females come as a result of breeding a share of the cows to Angus bulls. Parsons believes the goal of low-cost production has to start with low-maintenance females.

"It's still cheaper to grow a calf on grass than to do it with grain. It takes longer, but that's not necessarily bad."

— Carl Simmons

"We like cattle with a lot of length, but we sure don't want them overly tall. We want them easy to keep and easy-calving," explains Parsons. "We try to avoid getting carried away with selection for growth because the trade-off is a loss of fertility as well as a bigger cow that eats a lot more. The bulls we use are balanced for moderate birth weight and respectable yearling weight. Heavy weaning weights aren't a big issue because we don't sell calves. We run them as yearlings and retain ownership through the feedlot. We've been retaining ownership for 15 years."

Later calving season

Believing that early calving also increases maintenance costs associated with labor, Parsons says his cows calve during April and May without much babysitting. By weaning time, in late October or early November, the calves weigh around 450 pounds (lb.). Grown through the winter on silage, hay and a little protein supplement, they'll usually put on 200 lb. Herding them back to grass for the following summer, Parsons looks forward to another 225 lb. of cheap gain.

"The steers usually weigh 875 to 900 pounds by October when we start sending them to the feedlot," Parsons says. "We've always tried to hit that better April market if we could, so we've had cattle in the feedlot for 130 days or so. That's probably too long."

Beef Industry?

I don't think we've got hurt bad because of it yet. Sometimes we even managed to pick up a point or two on the quality grade, but we did have more Yield Grade (YG) 3s last time. We usually have 80 percent or more make Choice, and they usually dress at 63 to 65 percent."

Parsons says that over the years some pens of cattle have lost as much as \$90/head on a down market. Others have returned profits of nearly \$200/head. In the long run, the program has worked.

"Over the long haul, there is money to be made by the producer who can take light calves through the winter on low-cost roughage, summer them on grass, then go to the feedlot in the fall," adds SDSU's Johnson. "Studies have shown that, over time, the highest gross profit comes from that kind of system."

Like Parsons, Carl Simmons prefers retaining ownership and marketing fed cattle rather than feeder cattle. In his experience, the latter often leaves too much money on the table.

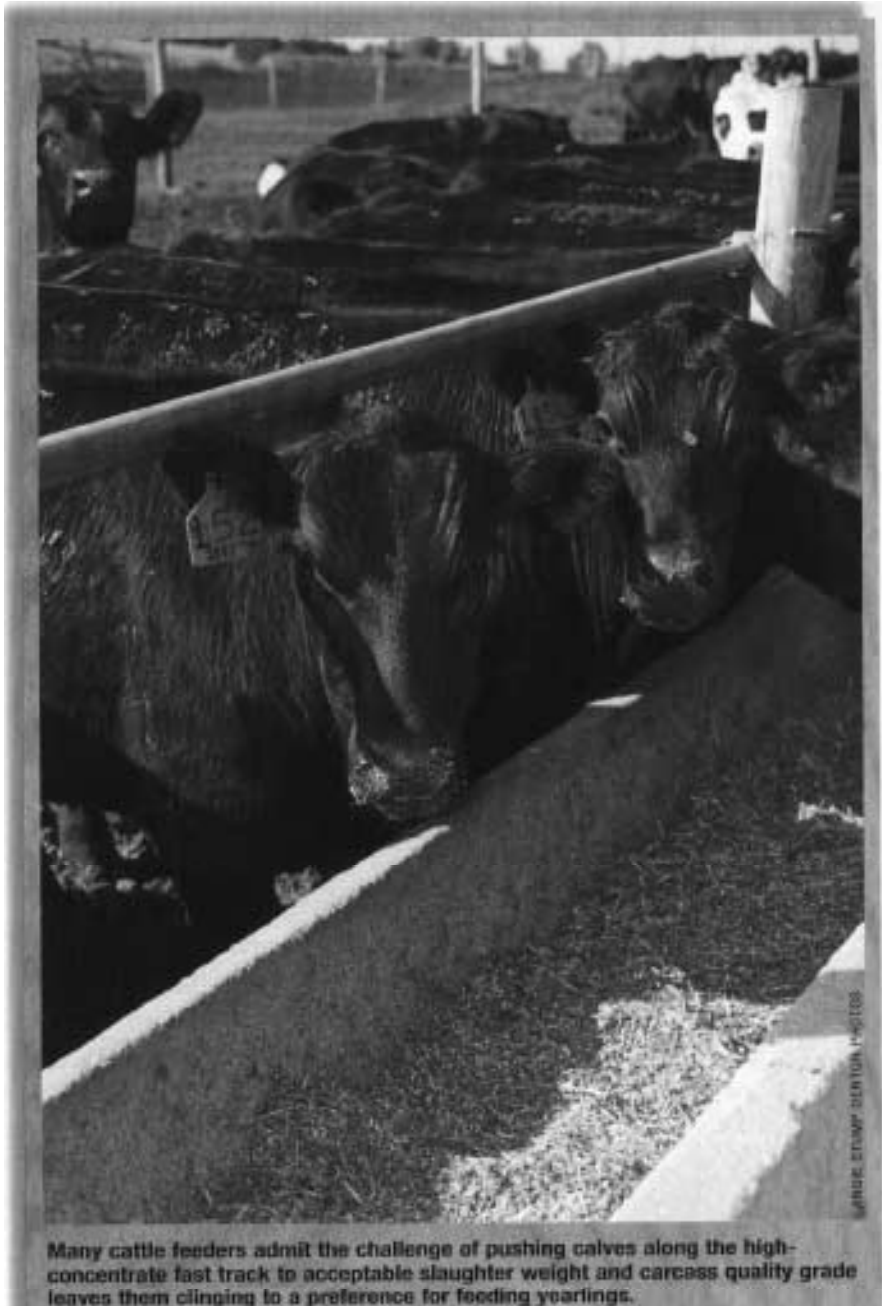
Lowering production costs

With his brothers, Rex and Ted, Simmons runs mostly Angus and black-baldy cows near Valentine, Neb. Like their South Dakota colleague, the Simmons clan holds late-spring calves over as grass yearlings, believing the practice fits their focus on keeping production costs low.

"We're trying to take full advantage of the ruminant's ability to utilize forage, and we think our 900- to 1,000-pound cows use our resources most efficiently, keeping annual maintenance costs at \$310-\$320 per cow. And it's still cheaper to grow a calf on grass than to do it with grain," says Simmons. "It takes longer, but that's not necessarily bad."

Simmons' April-May calves are weaned between Oct. 25 and Thanksgiving and are grown on winter range, supplemented by a ration of alfalfa and corn from the ranch's pivot-irrigated fields. Including 5-6 lb./head/day of corn, the ration targets gains of about 1 1/2 lb./day. Then it's back to grass in the spring where cattle are expected to put on an average of 1 1/4 lb./day.

"Our cost of gain through the winter runs around 40c per pound. Our grass gains figure out at 30c, and that's on rented ground," Simmons adds. "We start sending cattle to the feedlot in July at weights of 775



Many cattle feeders admit the challenge of pushing calves along the high-concentrate fast track to acceptable slaughter weight and carcass quality grade leaves them clinging to a preference for feeding yearlings.

to 850 pounds. The first ones will be slaughtered at about 18 months of age, and the last ones will be almost 24 months old."

With cattle on feed for an average of nearly 130 days, Simmons says he, too, would like to shorten the finishing period. He also would like to see his cattle show more consistency on the rail. Still, 75-80% Choice carcasses are common. YG 4s have seldom made up more than 2% of the mix, but Simmons would like to significantly reduce the number of YG 3s.

"It's not perfect, but the system suits our cattle, and our cattle are suited to our environment," Simmons adds. "I think our

longer-age cattle produce beef that is more consistently well-marbled and flavorful. I believe it's a consumer-pleasing product."

Terry Klopfenstein, University of Nebraska animal scientist, says Simmons could be right. He notes that while yearling-fed cattle might give up a bit of tenderness due to age, they may have the advantage for juiciness and flavor due to marbling.

"Research shows that calf-feds produce beef that is slightly more tender. It's measurably more tender, but that doesn't mean the older cattle are less desirable. It's possible that some calf-feds are more tender

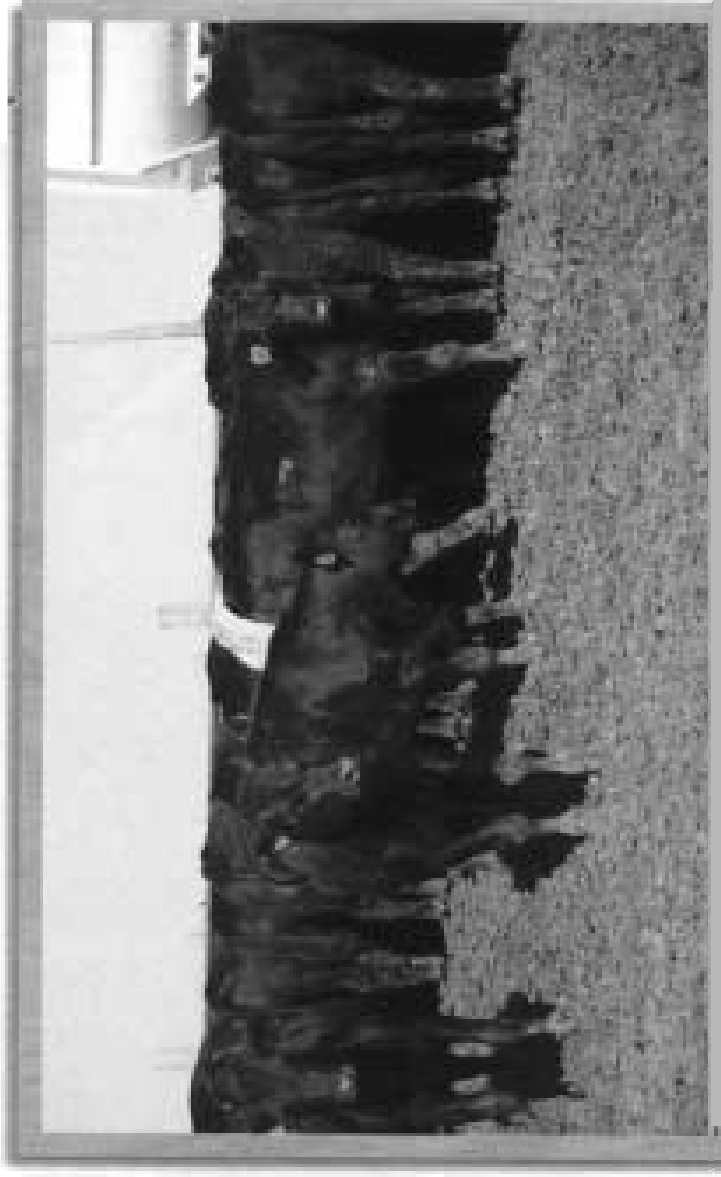
Feeding Options

than they need to be,” says Klopfenstein. “You can argue the marbling-juiciness-flavor issue, but there is some indication that yearlings do produce marbling with less outside fat than do calves.”

Klopfenstein says that from a production standpoint, grass-grown yearlings make clear economic sense.

“Cheap cost of gain on grass is a given,” he adds, “but it takes good forage management to get optimum gain, and we should be trying to shorten finishing periods for yearlings. Ninety to 100 days should be long enough to get them to marble.”

Both Klopfenstein and Johnson take issue with those who claim today’s grass yearlings are late, poor-doing calves lacking the performance necessary to be fed as calves. Johnson says more producers are planning calving periods for April and May, or even May and June, trying to match nutritional requirements with optimum grazed forage production. Calves born later in the spring can’t be compared to those born in February or March, particularly when they result from genetics built around a moderate frame size.



Ninety to 100 days on feed should be long enough to get yearlings to marble, says Terry Klopfenstein, University of Nebraska animal scientist.

“They can’t be pushed like the early-born calves, or they might more easily go Yield Grade 4,” offers Johnson. “But they really fit a grass yearling program. The economics work, and we really need both calf-feds and yearlings. Unless a lot more people go to fall calving, we need the yearlings to maintain a year-round supply of cattle for slaughter.”

To a lesser degree, environmental

concerns also lend credence to yearling grazing systems. Klopfenstein believes it’s unlikely the heightened concern over concentrated livestock feeding and waste management will go away. Longer grazing periods followed by shorter finishing periods, he says, may offer some relief from public pressure.





CHRISTY COUCH PHOTOS

A reputation for quality steers and heifers throughout the years has kept Penner Ranch focused on the future.

Something Extra At Weaning

Penner Ranch capitalizes on a reputation for quality steers and heifers to earn a premium at weaning

BY CHRISTY COUCH

Reputation. It's not something that can be built overnight. A reputation of integrity and quality takes years of dedication to the cause. Just ask Jack and Harris Penner of Penner Ranch, Mill Creek, Okla. Their lifelong dedication to the Angus breed has resulted in a reputation for quality steers and heifers that has buyers waiting in line.

The Penners currently manage 400 commercial purebred Angus cows and 120 registered Angus cows on 5,000 acres of native and improved pasture. Harris Penner artificially inseminates the cow herd to registered Angus bulls, achieving astounding results.

Cows are bred to calve December through February, with calves being shipped to the feedlot in September. The Penners have sold their commercial steers at average weights of 600-620 pounds (lb.) at weaning. Steers have recently sold for up to \$8/hundredweight (cwt.) above the average market price at the OKC West Livestock Market in El Reno, Okla. Harris says it's because of reputation.

"Years ago they'd go to Illinois and Iowa to be fed," he says. "We maintained a reputation that way."

As times change, cattlemen must keep up with the change. The Penners realize this and plan to add even more value to their calves through backgrounding and establishing a carcass history.

"We don't retain ownership, but we have built pens," Harris says. "Always before, we've gone straight from the cow to El Reno. We can now bring those steers in, wean them and precondition them 30 days if we want to."

The Penners plan to background future calf crops. Harris says he expects better calves by backgrounding them before selling. This should add value, he says, "from a health standpoint, because they will have all of their shots."

The Penners see establishing a carcass history as another way to add value to their calf crop and to maintain their reputation. Last year the steers were sold through a commission company to a Texas feedlot in an attempt to gather carcass information.

The Penners received carcass information on two groups of the steers sold, with 91.5% grading Choice and with an average dressing percentage of 65.5%. Harris says he is pleased with the results and will strive to continually improve. He realizes the difficulty in getting back individual information on calves sold.

"It's been hard to follow your calves," Harris says. "After your calves are sold, it's hard to get that information back from the packer. Maybe that will change a lot with alliances. With alliances, I think it will be easier to work all the way back down to the cow-calf man."

Though they have gotten carcass information back a few times, it's much more difficult to get as an individual producer, Harris says.

Besides serving as a marketing tool, carcass information can be used to determine how one calf crop compares to another and to adjust selection and breeding programs.

Heifers in demand

The Penner heifers have their own reputation. Heifers are sold private treaty as replacements to ranchers in Oklahoma, Texas and Illinois. These heifer crops are usually spoken for a year in advance and are sold at least two months before they are born.

"They're usually sold by word of mouth," Harris says. "We don't advertise. It's more what the cows have done for other breeders. They're Angus, so they're low-maintenance, easy-keeping cows that have enough milk to wean off a decent calf."

Harris stresses that the ranch must keep equal focus on steers and heifers.

"We're into alliances and quality, and we can't sacrifice our females for marbling," he says. "It's like anything else, you've got to balance it out."

The balance the Penners have achieved with quality steers and heifers has enabled them to develop their quality reputation. But reputation cannot be built by quality alone. It's the result of many people having faith in the product.

An honest reputation

Bill Bowman, American Angus Association director of commercial relations, says the Penners have built their reputation through years of quality cattle and satisfied customers.

"They have marketed their cattle for years and years, and they have a lot of repeat buyers," he says, because the Penners bring desirable traits to commercial cattlemen. "They think 'genetics.' They are a



A reputation rich in history

Penner Ranch was founded more than 150 years ago just west of what would become Mill Creek, Okla. Both the town and the ranch were founded by Cyrus Harris, the first and five-time governor of the Chickasaw Nation. The ranch is still thriving today on the land settled by Cyrus Harris during the Trail of Tears so long ago.

Nearly 86 years after the first Angus was bought by Cyrus Harris, Penner Ranch is still thriving, owned and operated by the fourth, fifth and sixth generations — Harris' great-grandson, Jack Penner, Jack's son, Harris, and their families.

"You could write a book about what's happened in each of these pastures," Jack says. "Over there is where we killed a rattler, and that's where that old horse threw me."

The ranch is the common bond shared between members of the Penner family, and it is the source of a successful reputation for even the youngest of the family.

Keeping the tradition alive

Harris and Vicki Penner's three daughters — Becca, Amanda and Kelly — are also active within the Angus industry. The three girls own 34 registered Angus cattle, buying their first heifer about eight years ago when Becca, now 17, began 4-H.

The girls play an active role in selecting bulls to sire their Angus heifers, which have won numerous shows on the local, state and national levels.

"Showing the bred-and-owned calves is the best part," says Amanda, a sophomore in high school. "Just knowing that you raised them and that you had a part in what they are is the best part."

The Penner girls work each day with their show cattle and are responsible for feeding and grooming their show string. The girls' show barn is located on the homestead ranch.

"The cattle have given them some roots on the place and may help with college someday," says Vicki. "And it has given them a foundation in agriculture."

Being active in the Oklahoma Angus Association is also important to this family. Harris and Vicki are the Oklahoma Junior Angus Association (OJAA) advisors, and the family is chairfamily for the 1999 National Junior Angus Show to be hosted in Tulsa, Okla.

The girls are also very involved in the OJAA. Becca is serving as president, Amanda as second vice president and Kelly as southeast district director.

"The people we've met have been the most valuable part," Vicki says. "We've watched a lot of kids grow up in the Angus association."

Above: Success at Penner Ranch is dependent on the teamwork of the Penner family. Pictured (l to r) are Mardelle, Vicki, Harris, Becca, Kelly, Jack and Amanda Penner.

Feeding Options

commercial operation really focused on bringing in uniformity and consistency.”

Drew Hayes bought steers from the Penners last year for Caprock Industries. “The quality is outstanding,” he says. “The packing house part is also great. They make really nice, fat cattle.”

Donald Wirz, who runs a feeder-calf operation in Kopperl, Texas, purchased heifers from the Penners about 10 years ago. Because of his satisfaction with those females, he has referred several people to the ranch, including former American Angus Association regional manager Michael Bennett.

Harris stresses that the ranch must keep equal focus on steers and heifers.

“They have a super cow herd and have as much performance information on their heifers as many purebred breeders have on theirs,” Wirz says. “It’s unusual to find a commercial herd that’s treated like a registered herd.”

The females Wirz purchased from the Penners consistently wean calves between 600 and 650 lb. that top the market in Texas.

“I’ve won many ribbons at the feeder-calf sales in San Angelo,” he adds, attributing the success to Penner genetics.

Wirz is not the only producer impressed with Penner genetics. James Fuqua, U Lazy 2 Cattle Company, Quanah, Texas, has bought the Penner family’s entire heifer crop the past two years, totaling 182 head last year and about 165 the year before.

Fuqua discovered the Penners through Bennett, who went with him for his first visit.

“They were recommended because of their impeccable, honest reputation,” he says. “The cattle looked good. They were all uniform, and I could tell the quality was high.”

Fuqua says the Penner family’s style of raising cattle on grass and utilizing the environment with low inputs appealed to him.

“The cattle are fed off the land, and I knew they wouldn’t go back when we got them out on pasture,” he says. “Harris is as honest as the day is long. This is not a



“Heifers are really our bread and butter,” Harris Penner says. “Two years ago, when the market was so bad, heifers outsold the steers \$113 a head.”

hobby for him— it’s a lifestyle. I’m looking for professional cattlemen, and that’s what he is.”

Jim Griffin, commercial cattleman and Texas A&M economics professor, began his ranching career about three years ago with cattle from Donnie Wirz. He was satisfied with his cattle from Wirz, but was looking for more selection. That’s when Wirz sent him to the Penner family.

“Until I went up there and met them, I didn’t fully appreciate the kind of people they are,” he says. “They really take it

seriously, are very likable people and are very honest. They shoot it straight with you and do what they say they’ll do.

“They’ve got what I’m looking for in terms of Angus cattle,” Griffin adds. “They are very thick, are not tall and framey and are really put together well.”

“I’m a happy customer,” he says. “The fact that I’m buying mine from the Penners shows that I’m looking for the best around.”





BRAD PARKER PHOTOS

Bill Pellett of Atlantic, Iowa, raises and purchases calves for his 900-head feedlot. He collects carcass data for himself and his feeder-calf suppliers so genetic changes can be made to meet consumer demands with future calf crops.

Time for Change

For cow-calf producers who want to know more about their animals' performance beyond the pasture gate but don't want the risk of retained ownership, changing relationships with their feeders may provide the answers.

BY BRAD PARKER

Change. It seems to be one of the few constants in the cattle industry.

For Bill Pellett of Atlantic, Iowa, change is part of his management program. He not only feeds out the calves from his own 105-head Angus and commercial-cross herd, he buys others to keep his 900-head feedlot full.

Though he buys complete ownership of the calves, taking on all the financial risk of feeding, he's willing to provide added incentives to his feeder-calf sources. Those incentives include carcass data and bonuses based on feedlot performance and carcass quality. To afford that generosity, Pellett has to be selective.

"I choose to associate only with those people who are willing to change and who are going to give me some good ideas of what their specific targets are," he says.

Pellett's target is the consumer. The cattle industry must focus on producing a tender, consistent, flavorful product that fits the consumer's budget, he says. To get that kind of product, feeder-calf producers need to obtain carcass data and use the information to make real changes in their genetic

programs — something he has been doing for four years in his herd

"A lot of people say they're willing to change, but they won't change unless it fits their likes," Pellett says. "They have to be truly honest with themselves on how far they're willing to go."

Pellett keeps careful records on the expected progeny differences (EPDs) and health histories of his calves. He expects the same information on performance potential, preconditioning, shots and weaning ages from the feeder-calf sources from whom he buys. "It takes people who are willing to spend time with their animals and their records," he says of those producing the calves for which he's willing to take the financial risk.

With his knowledge of the animals' histories, Pellett can better decide their futures. His prior knowledge of the herd allows for adjustments in his implant strategies and the number of days he keeps the stock on feed.

"When I start with a new supplier who does not have carcass data on his cattle, we

try to utilize other forms of information-gathering techniques, such as EPDs or ultrasound," he explains. "All of the new methods need some refinement, but they are fast gaining the database needed to be reliable."

When carcass EPDs are available, he says he can fine-tune some of the key influences in the pricing grid or totally change strategies to fit a grid closer in alignment with the genetics. As cattle come in to the lot, Pellett determines to what end the cattle are best suited, targets a grid, chooses a packer, then thinks backward to the animals' first day in the feedlot to develop an appropriate management strategy.

Although this strategy works, he prefers genetics capable of fitting different grids based on his management decisions. This provides more opportunities and flexibility.

"I want the type of cattle that will be very economical to raise and the type of genetics program to produce a consistent, quality product with which I can hit a specific market," he says.

Pellett admits his is a different approach, and some producers aren't sure about keeping such detailed records. When they get the carcass data back and know their herds' baselines, they know they are getting something in return. "I present it in such a manner that it's beneficial to both of us," he says.

Currently, Pellett is returning carcass data to 10 feeder-calf suppliers. If the information is available before the next breeding season, he hopes it will help them avoid what he calls the "Bull-of-the-Year Club" mentality. In this mindset, producers select genetics on a single trait popular that year. After a few years, their stock are "totally crossed up," he explains. "If you want to consistently produce a top-quality product, you need to use proven bulls with strong EPDs in a narrow range."

Angus-influenced cattle tend to be more prevalent towards marbling, he says of his experiences. "I have also found some producers who have chosen other traits as a priority and neglected the quality-grade portion of the genetics. Producers need to set goals for their herds and collect carcass data to find their baselines."

Focusing on EPDs and carcass data can seem cost-prohibitive, especially when the market is down. Packers may charge from \$3 to \$8/head for the carcass data, but Pellett says it's important to keep along-term perspective. "This industry isn't a short-term, get-rich-quick scheme," he says. "It's about longevity and improving our product line beyond the immediate future."

To date, this feedlot manager is absorbing the cost of data collection. He



Changes in feedlot structure address threats to efficiency

Bill Pellett isn't afraid to try something different. He not only looks for a different kind of calf, he puts it in a different kind of feedlot.

Pellett's operation includes six 85-head pens, each with 35 feet (ft.) of concrete leading to covered feedbunks. In inclement weather the cattle can be locked onto the concrete. A gate system allows them onto the mounds in the yard when it's dry.

The combination of concrete aprons and covered feedbunks addresses Iowa's two biggest threats to feedlot efficiency: mud and wind chill.



According to Dan Loy, Iowa State University (ISU) Extension beef specialist, mud can decrease feeder-cattle performance by as much as 30%. The effect will vary from one location to another because of soil type, slope, drainage and pen population. "Good feedlot management will offset those conditions," Loy says, "and good management is being used at Bill's"

Loy says the concrete aprons are cheaper than the total-confinement systems and slotted floors sometimes used to keep cattle out of mud. The drawback is maintenance time. "You have to keep the concrete scraped off and clean," he explains.

The covered feedbunks not only serve as refuge from Iowa's cold winter winds, they also provide shade in the summer. "Providing shelter year-round improves efficiency about 5 percent," Loy says, "For most parts of Iowa, that would justify cover."

The cattle aren't the only benefactors of the covered system. Feedlot operators benefit from reduced amounts of spoiled feed and added comfort during feeding.

Many of the newer feedlots in Iowa have covered bunks and concrete aprons. "Several of them have, been built in the last five or six years," Loy says. "They've been fairly successful, so others are looking at it."

ISU has even constructed a demonstration feedlot near Atlantic with a similar arrangement to Pellett's. Loy recommends 20 square ft. of shelter/head and the same amount of unsheltered space when keeping animals in a semi-confined area with concrete.

It's difficult to calculate the repayment period on constructing this kind of feedlot, the specialist says. Economies of size and "do-it-yourself" feedlot employees introduce too many variables. Generally, the expense is amortized over 154 years, Loy adds.

Pellett estimated it could take up to seven years for his feeding structure to pay for itself, but recent conditions in Iowa may shorten that time frame.

"The wet winter may have accelerated that by two years," he says.

Above: Six 85-head pens in the Pellett feedlot feature 35-foot concrete aprons and covered feedbunks to combat Iowa's biggest threats to feeding efficiency: mud and wind chill.

Feeding Options

cautions his cooperating producers that may change if the data isn't used to achieve common, long-range goals. "There is nothing more frustrating than spending the money on data collection then having a producer regress to the old way of decision making," he says.

According to Pellett, the investment is necessary for survival. "We need to make these management changes on the farms and ranches, or the vertical integrators are going to come out and replace us," he says.

One of the producers getting carcass data back from Pellett is Chris Throne of West Point, Ga. Throne manages his family's Irvington Farms, a 300-head registered Angus operation. Irvington Farms sent its first load of Angus steers to the Atlantic feedlot in August 1997. They're getting ready to ship their second load.

"The carcass data is the main thing," Throne says of his reasons for shipping cattle from Georgia to Iowa. In a year when 110 bulls are born on the farm, 30 will be castrated and fed out.

"Not every bull born is a herd sire," the Georgia cattleman says, but carcass data from those purebred steers gives him and his bull customers a better idea of how his genetics will perform.

Throne's cattle already perform well. They generally grade 98% Choice, Yield Grade (YG) 2s or 3s. He says the information he gets back from Pellett is still useful.

"We're making more of a fine-tuning than a wholesale change," he explains. "We're working on increasing percent retail product and decreasing backfat."

Throne says he can't put a monetary value on the information at this time, but he knows it will be worth something someday. "I look at this thing long-term," he says. "The closer we get to quality-based pricing, the more important it will be."

The carcass information Pellett shares with his producers is available through his affiliation with the Precision Beef Alliance (PBA). He was the group's first president in 1994.

"PBA has opened the door for effective communication with all segments of the beef business," he says. "There are packers and producers who want to participate in the future. To do so, we need to understand what the driving economic and quality goals of each segment are."

PBA collects data at every stage of



production to examine cow-calf efficiency, feedlot growth and carcass characteristics. Its stated objective is to help producers convert that data into information-driven management and planning programs that analyze each segment of production.

Pellett says the alliance provides an independent third party with nothing to gain or lose from the data collected. This unbiased willingness to help leads to more accurate information and gives producers the most with the least risk.

PBA tries to bridge the gap between the cow-calf producer and the packer. "We're starting to differentiate packers as to those who are aware of the future and their survival and what they have to do. They're a lot more willing to work with producers," Pellett says. "Others are still in the old mode of keeping costs down by not providing carcass data."

The alliance also has helped Pellett develop relationships with cow-calf producers, not only in Iowa but in other parts of the country. Farms from Virginia to South Dakota ship cattle to his feedlot to take advantage of PBA membership benefits

and the more favorable feeding conditions. In return, Pellett keeps his feedlot full when the supply of fall calves in his area is low.

"When we've got calves, they're needing calves," Throne says. It's beneficial to all.

"Our initial word-of-mouth advertising has been supplemented by numerous magazine articles, membership drives, industry meetings, alliances, seedstock producers, veterinarians and order buyers who all see a need for constructive change in our industry," Pellett says. He relies exclusively on personal contacts to obtain feeder cattle, and he says the majority of them come from PBA.

In fact, Pellett's relationship with Throne was a result of the alliance. Bill Hodge, Throne's Extension agricultural agent, learned of PBA at a conference and thought some of his Meriwether County producers could benefit.

Throne says PBA is committed to finding the best way to market calves and is more reliable about getting information to the producer. He says it's better than other attempts he's made at collecting carcass data; using other channels, information on two loads of his steers was once lost.

"As much as anything, it's about cultivating relationships," Pellett says. He explains a smaller feedlot like his can give producers a better idea of their cattle's performance. "They're more the type of people who want to have an idea of where their cattle are going," he says of his long-distance suppliers.

Throne agrees with the "smaller-is-better" concept. He says he likes the way Pellett manages his feeder cattle individually, not by the pen.

"I think the cattle are better cared for in a smaller feedlot," Throne says. The 45 head Irvington Farms delivered to Iowa last year were slaughtered in three groups. "I think that optimizes what he's doing," he says of Pellett's management. That's why Throne is turning his bull customers toward Pellett and other PBA-affiliated feedlots as long-term alternatives for marketing calves.

When asked to weigh the individualized attention against receiving carcass data, Throne knows what is more important to him. "If I had to go to a larger feedlot to get that carcass data back, that's what I'd do," he says.

Pellett is developing an incentive program for those who are adjusting their breeding programs to improve feedlot performance. He says he wants to reward

feed efficiency as it becomes the driving force in profitability.

Flat-pricing and percentage-of-returns systems are two options he is considering, and he says the different grids will play a major role in determining how the incentives will be structured. “A quality grid will have to reward high-Choice or Prime cattle a great deal in order to compensate for the additional feed costs and lack of feed efficiency with our current genetics,” he says.

“My incentive program is still in its infancy,” he admits, but he says it will be based on economic factors that make all segments of the cattle business more profitable. Knowing his suppliers may be considering retained ownership for the future, he wants to develop a program that makes it worthwhile for those making efforts to change with him.

“A lot of people are reluctant to jump right into retained ownership,” Pellett says. “Of course, with the excellent people who are working with me, I want to be innovative in bringing them an incentive program so they can share in the profits.

I’m trying to entice these people to stick with me long-term.”

Though in the past he’s never offered a retained-ownership option to his feeder-calf suppliers, Pellett is considering it for the future. He believes retained ownership is important for producers to retain equity.

“What I feel is really best for the industry long-term is that the cow-calf producer, who created the breeding program, should maintain ownership throughout the life of the animal,” he says. “I think it’s very

important that the ranchers and the cow-calf producers also maintain ownership in this way to preserve equity. Equity provides the cushion it takes to stay with the fluctuations in the market. It becomes an economics issue as well as a pride issue.”

Throne says he’s done some retained ownership in his seven years of producing feeder calves, and he’s considering it for the future. He’d welcome working with Pellett in that kind of arrangement. He says it would help spread the profits along the production chain and increase everyone’s level of satisfaction.

Pellett not only sees change coming from

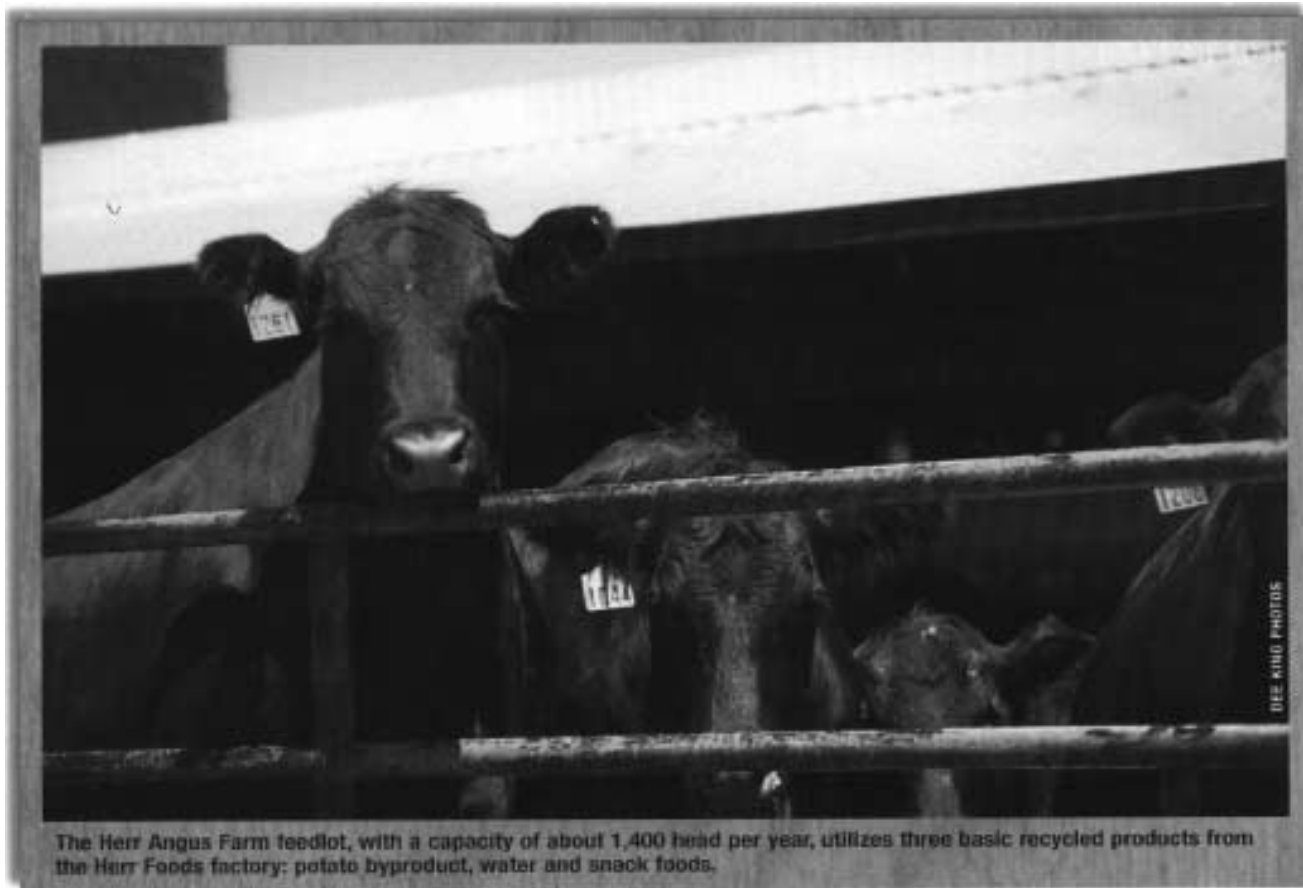
his feeder-calf suppliers, it also may take place in dealing with packers. He says as packers narrow carcass specifications, they’ll demand more animals that fit a specific grid, and a new generation of pricing structure may develop.

More consumer-based measurements of quality, such as the tenderness-testing methods being studied by one of PBA’s cooperating packers, will increase the chances of value-based marketing becoming a reality, he says.

“Some packers are not aware of the economic costs involved in profiting from a quality-grade grid. These grids have not been structured nearly as aggressively as needed to create the necessary changes in the industry. They’re taking baby steps,” he says. “It will take giant steps to get us into that type of thinking pattern.”

With his own forward thinking and by encouraging others in the beef-supply chain to think ahead, Bill Pellett is doing his part to lengthen the industry’s strides toward the necessary changes.





The Herr Angus Farm feedlot, with a capacity of about 1,400 head per year, utilizes three basic recycled products from the Herr Foods factory: potato byproduct, water and snack foods.

Beef and Potatoes

Feedlot serves as environmental answer to snack-food manufacturer.

BY JANET MAYER

When feedlot owner Jim Herr grills a steak, he often remarks he is getting his meat and potatoes all rolled into one. This logic stems from the fact that steers at Herr Angus Farm are fed a daily ration of potato byproducts.

The byproducts result from the cooking of potato chips at another Herr family company, Herr Foods Inc., near Nottingham, Pa. Located about an hour southwest of Philadelphia, the company is the largest family-held snack-food company in the United States and employs 1,100 people.

In addition to potato chips, the company offers a selection of more than 286 other snack items, providing the Herr feedlot with a large, steady supply of byproducts to serve as cattle feed.

Located about a mile from the Herr Foods factory, the feedlot is part of 1,500 acres of farmland owned by the Herr family. The acreage is actually comprised of several farms spread over a four-mile area.

According to feedlot manager Dennis Byrne, 300 acres are used as pasture, while another 700 are put into crops of wheat, corn, soybeans and barley, which are used for the feedlot or sold. Located only half a

mile from the plant for ease of irrigation, 200 acres of Reed's canary grass make use of recycled water from the potato-chip-manufacturing process. Three cuttings of hay are taken each year, with the major portion of the crop used for haylage.

The feedlot is actually the recycling arm of Herr Foods, says Byrne. "As the Herr business has grown, so has the amount of waste. With the company being out in the country where there isn't public water and sewage, disposal of the waste products quickly became a problem."

Herr wanted to find an agricultural solution that would protect the environment. He had heard of large-scale western potato growers feeding their byproducts to livestock, "and he always had a vision of feeding the byproducts from his company to cattle," says Byrne.

Herr and Byrne spent considerable time consulting with nutritionists and other experts before drawing plans for the feedlot. The initial facility was built to handle about 300 head. It opened under Byrne's management in 1984.

For some years prior to taking the position at Herr Angus Farm, Byrne and his wife, Dottie, had been developing a herd of purebred Angus cattle. When they moved to Nottingham, they took their cattle with them.

“Mr. Herr liked the idea of having an Angus herd, and we started the herd with our cattle and steadily increased the size of the herd by buying cattle from local breeders,” says Byrne. “We stayed in the cow business until the early 1990s when the decision was made to disperse the purebred herd.

“We needed to make the feedlot bigger because of an increase in the amount of byproducts,” he explains. “We really had to take a hard look at our goals.” Their facilities and resources lent themselves much better to a commercial feedlot than to a purebred herd.

Although the purebred herd no longer exists, the name of the farm and feedlot remains Herr Angus Farm. Not only has the feedlot grown during the last 14 years, but so has the staff. In addition to Byrne, three full-time employees live and work at the Herr Angus Farm. Dave Bell, who owns a small Angus herd of his own, and Doug Lowrie both care for the equipment, do general farm work and work with the crops. Rob Rorher is herdsman and works in the feedlot with Byrne.

The feedlot, with a capacity of about 1,400 animals per year, utilizes three basic recycled products from the factory: potato byproduct, water and snack foods. The potato byproduct is the waste from the one-half million pounds of potatoes used daily to make potato chips. Discarded potato peelings and slices too small to qualify as chips end up in the 180,000 gallons of water used in the peeling and slicing process. After the water is treated at a primary facility, the solids taken out of the water mount up to a hefty 6 tons daily, which is trucked to the feedlot. The starch is removed from the waste water and sold for fine paper manufacturing. The water is piped to hay fields where it is used for irrigation. The hay is used to feed the cattle.

Since the potato waste tends to sour rapidly, it's fed daily to the 600 steers on feed at a rate of 15 pounds (lb.)/head/day. Solids tend to be wet, about 80% moisture, but Byrne says the dry-matter basis lines up about the same as corn silage.

Snack food is the third byproduct used at the feedlot. Different varieties of snack foods — like potato chips, pretzels, corn chips, cheese curls, popcorn, tortilla chips and crackers — make up the mix.

“We call it steer party mix,” Byrne says with a grin. “It looks just like a party mix



the rest of his life. So in 1946 he bought a small potato-chip company in Lancaster, Pa., for \$1,750. Just a year later, he moved the business into a vacated tobacco shed on the Herr family farm.

As the demand for Herr's Potato Chips grew, so did the economy. It moved to a larger facility in 1949. Two years later a major fire forced another move, this time to the present site near, Nottingham, Pa.

Always interested in agriculture, Jim Herr cared about the environment and began recycling the byproducts of his company — potatoes, water and snack food — into a feedlot system in 1984.

Recently celebrating a half century in business, the company has enjoyed continued growth and is presently expanding the potato-chip line to increase production by at least 50%. They offer more than 286 snack items, which are sold in 10 states throughout the Northeast.

Not only does Jim Herr take an active part in the potato-chip business, he can be seen on many Saturdays strolling through the pastures and byways of his feedlot, looking at the cattle and asking questions.

To educate the public as to how snacks are manufactured and how a feedlot is operated, the Herr family offers tours of the factory and the feedlot (usually preplanned events) to groups school children, senior citizens, and 4-H and FFA

members. For more information on these tours, call 1-800-63SNACK.

Above: Owned by Jim Herr, Herr Foods Inc. is the largest family-held snack-food company in the United States. Located near Nottingham, Pa., the company employs 1,100 people.

because it is a variety of the different snack foods mixed together. The steers really like it a lot.

“Each day the factory's quality assurance people pull snacks that don't meet the company's high standards,” Byrne continues. “One day's worth adds up to about 4,500 pounds. The snacks come out of the plant on a big central-vacuum system and are loaded on a dump truck for delivery to the commodity area of the feedlot.”

Byrne says steers are fed 6 lb./head/day of the mix, which is higher in energy than

corn because of its high oil content. The mix also is high in salt, eliminating the need for salt supplementation.

Byrne says the operation targets steer gains of 3 lb./head/day, feeding a ration that is fairly low-cost because of byproduct use. In addition to the byproducts, each steer's daily ration includes 16 lb. of high-moisture shelled corn, 6 lb. of haylage and 1 lb. of supplement — urea, vitamins and minerals.

Herd health continues to be an issue, and all employees have participated in

Feeding Options

quality assurance training during the last couple years. Byrne says if an animal shows even the slightest symptoms of illness, it is quickly pulled and treated. All injections are given in the neck.

Most of the feeder cattle for the lot are bought in Virginia's Shenandoah Valley. Past purchases from Virginia breeders proved to Byrne these cattle work well in commercial feedlots.

"They grade the cattle really well. When a broker tells you what the cattle are, that is what they turn out to be," Byrne says. "The breeding is right; the health is right; the numbers are right. You get a full truckload, the freight is right, they are easy to buy, and when they get here we are satisfied."

In addition to the Virginia cattle, he also buys a few from West Virginia, New York, Tennessee and the Carolinas. Byrne purchases about 80% of the feeder cattle by phone, mostly through reputable brokers.

He requires feeder cattle in the upper end of a medium frame, weighing about 850-900 lb., that will finish at about 1,300-1,350 lb. Byrne first looks at the breed, and he says he will not accept a bunch of stretched-out exotic crosses. He expects 90% of a load to be thick, British-cross cattle with black hides.

"The Angus and the black-baldy cattle have always done well for us," Byrne says. "As a former breeder of Angus, I always thought they were the best. Since I got in the commercial business, I know they are. I pay a premium for the black feeders, but I usually make a premium when I sell them."

Byrne also likes to buy cattle that have been backgrounded vs. farm-fresh cattle. He strongly believes the healthiest cattle are those that have been commingled at least once and that have undergone a vaccination program. Experience has shown Byrne farm-fresh cattle tend not to have been exposed to disease, making their immunity very low. When introduced into a feedlot where cattle have been assembled from everywhere, the farm-fresh cattle are challenged with every disease there is, making them a liability.

Byrne also avoids buying calf-feds—calves taken straight off the cow to a feedlot—because of carcass-quality issues.

"Packers are very cautious about calf-feds because age has a lot to do with marbling," he says. Under today's quality grading system, cattle that go on feed as calves don't quality grade as well as cattle going on feed as yearlings, he explains.



This mound of steer party mix is actually a mixture of different snack foods that don't meet Herr Foods' quality assurance standards for human consumption, says feedlot manager Dennis Byrne. "One day's worth adds up to about 4,500 pounds."

Because performance records are an important part of management for Byrne, he keeps computer records on the performance of every steer going through the lot. All cattle are logged on the computer by breed with a number code, and records are kept of individual gains.

Information also is collected from the packers who buy cattle from the Herr feedlot.

"We get back an ear-tag number, the hot carcass weight, quality grade and the yield grade," says Byrne. "Breeders who sell cattle to us sometimes ask for carcass information, but not too many. We do have a few who sell cattle to us just so they can get that information. A few cattle producers also have asked us to do retained ownership, so they can see how their cattle perform on feed; however, we just don't have the room to do that."

About 80% of the Herr cattle are bought by Moyer Packing Company, located about 25 miles north of Philadelphia. For years, Byrne says, Moyer has bought cattle on a grade-and-yield, value-based system or by estimating carcass weight and paying on yield only.

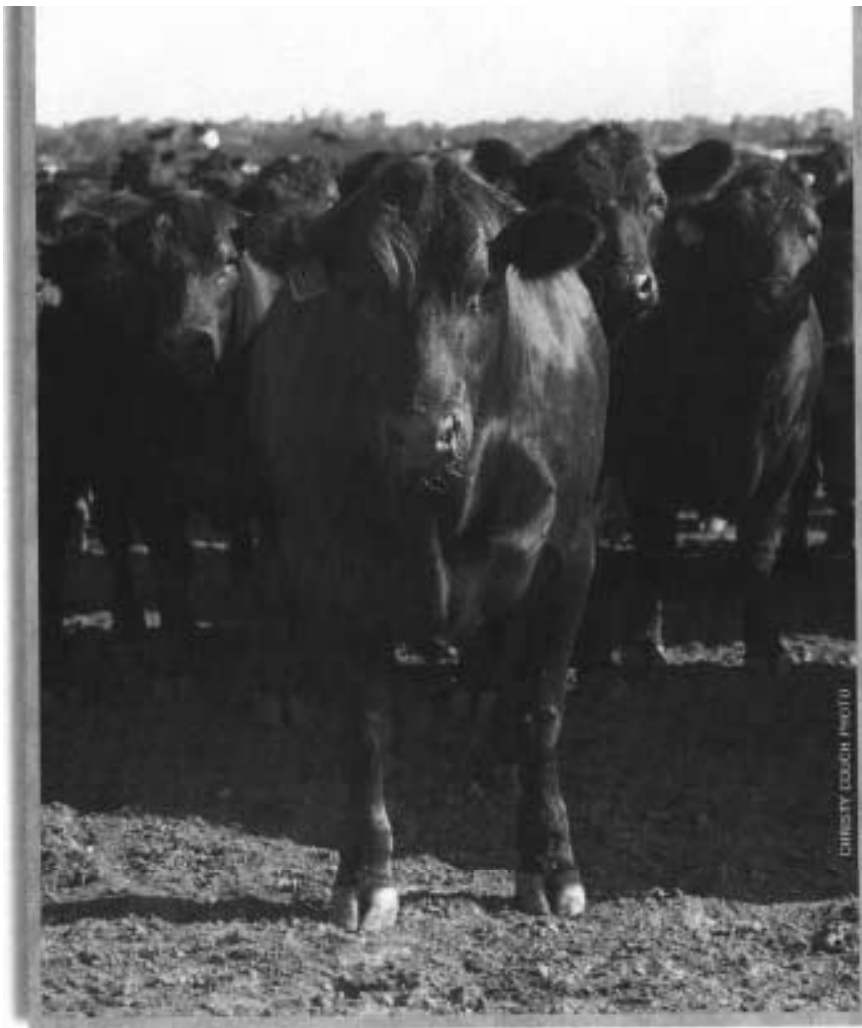
The value-based grid favors Choice, Yield Grade (YG) 2s and 3s, he explains. "Everything else is a discount. You don't get any more money for Prime, and you don't get anything extra for Choice 2 or Choice 1 than you do for Choice 3.9."

All Herr cattle were sold on a grade-and-yield, value-based system until about a year ago when the new criteria came out on B maturity. Byrne says dropping the B maturity carcasses out of the Choice and Select grades increased the discount on those cattle.

He has opted to stick with the straight money, neither getting a discount nor a premium. He prefers buyers come to the feedlot to look at the cattle and make a bid on dressed weight.

"We are literally feeding cattle to make the upper end of Choice and still keep them from becoming Yield Grade 4s," he says. "We want to make that restaurant and Japanese market premium, but we still aim for efficiency and quality. Herr has been very successful at providing a quality product to his consumer, and we have used that same philosophy here in the feedlot."

"I know Herr Foods will continue to expand, and so will the amount of byproducts from the factory," says Byrne. "The factory is already putting out three times as much byproduct as when we started in 1984. In the future, perhaps the excess byproducts will be offered as dry feed to other feedlots because, unfortunately, we can't continue to expand the feedlot. If we did, it would mean having to buy supplemental feed, and getting rid of the manure waste would also become a big issue."



Brand Connection

Express Ranches' branded beef program adds consistency to customers' marketing programs and bottom lines.

BY ANGIE STUMP DENTON

Today every beef publication seems to encourage cow-calf producers to retain ownership and to track cattle performance from conception to consumption. The rationale is a premium will be incurred when they produce the genetics that will perform in the feedlot and on the rail.

At a time when the fed-cattle market is depressed, retaining ownership through the finishing stage does not look attractive. The lack of premiums available has many producers looking for new alternatives at weaning.

Ironically, when the market is down, that is when it's most important to have a genetically better product to give producers a competitive edge when it's marketing time.

For years the Starr family of South

Dakota has been selling their calves off the farm to private feeders. Last year they sold 450 calves to their seedstock supplier, Express Ranches, Yukon, Okla., to participate in its branded beef program.

A.J. Starr says there are several advantages to participating in the program. "It gives producers like myself the initiative to produce higher-quality calves and receive a premium in return," he says. Compared to the top market prices in his area, Starr realized \$5/hundredweight (cwt.) more from Express.

Larry McNeff, commercial cattleman and stocker operator, Mustang, Okla., says the Express program opens another market option for Express customers, increasing competition and the possibility of a premium.

McNeff says he admires Express because it has the ability and desire to start a branded beef program and to follow its genetics through the industry chain, making the necessary genetic adjustments to meet consumer demand.

Serving customers

Express Ranches' (EXR) customer base includes commercial producers from the Southwest and Midwest who have purchased bulls from either of the EXR divisions -Angus (EXAR) or Limousin (EXLR). With land and cattle in three states, the Express crew hosts six production sales a year, offering Angus and Limousin bulls, females and show prospects.

Bob Funk, president and owner of Express Ranches, says his staff works together as a team to produce what commercial producers need, which, in return, will produce what consumers want.

"That's the real bottom line of what we are doing," says Funk. "We want to produce what is needed to improve the beef industry so consumers are not going to other meats.

"If we [seedstock producers] work together to produce what consumers want, and what commercial cattlemen need and want, then we all win," Funk explains.

"In the future, less desirable cattle will be discounted at the consumer level," Funk maintains, "so much so, that the commercial producer is going to have to look for consistent, outstanding genetics in order for the beef industry to win the red-vs. white-meat battle."

Brand it

With those philosophies as a guiding factor, Express Ranches unveiled its branded beef program — Express Ranches Premium Beef — in March. Jarold Callahan, Express Ranches' chief operations officer, says the

program was Funk's idea.

"Mr. Funk had an interest in trying to help his customers get a more consistent, profitable price for their calves," explains Callahan, who works with the program. "He also has a desire to reinvest in the genetics Express is producing."

Funk developed a program that reduces price fluctuation and helps participants better manage their operations from a financial standpoint. To accomplish this, the program incorporates all levels of the beef industry chain — from the seedstock producer to the retailer. With control of the product through the marketing chain, Express is able to offer a more consistent price year to year, because there is less price fluctuation at the retail level.

Since going on-line in March, demand for Express Ranches Premium Beef has continued to grow, utilizing an average of 750 head/week.

Program players

Express works with its Angus and Limousin bull customers, purchasing calves for the branded program. Callahan says to date 90% of the program calves have been Angus-based.

Serving Express customers is the foundation of the program, according to Funk. "Eventually we plan on all calves [in the program] being sired by Express bulls," Callahan says. "However, at this point, some are not."

While the program is in its infancy, Express has had to purchase some customer calves that are not sired by Express bulls to fill product orders.

"From the outset we have attempted to work with all our customers," Callahan says regarding herd size. "Groups of less than a truckload are very complicated for us to handle at certain times of the year," Callahan says it's logistically more manageable to work with herds of 100 head or more and to contract truckloads of cattle. As the program grows, he hopes to accommodate and work with smaller producers, backgrounding and sorting smaller groups into larger uniform groups.

Callahan says they expect producers marketing cattle through the program to follow Express Ranches' vaccination protocol or an equivalent program.

Ownership options

Commercial producers interested in the program have several ownership options.

Express will buy calves before placing them on feed, or if producers choose they can retain an interest throughout the feeding and harvesting process.

All customers receive feedlot performance and carcass data. Starr says he appreciates the opportunity to track the cattle. "It helps in the selection process and helps target where you're headed, and you can get there a lot quicker," he adds.

Express aggressively bids on calves based on the current market or forward contracts the calves. Most purchasing agreements include a flat, per-

pound feeder-calf price with an opportunity for premiums after harvesting.

Callahan says the first 7,500 head through the program averaged a \$2.04/cwt. premium or \$24/head. Future opportunities for program participants might include premiums for cattle meeting *Certified Angus Beef*™ specifications.

Most program calves are backgrounded on small-grain pastureland or native grass. Program cattle go on feed when the heifers average 625-750 pounds (lb.) and the steers average 650-800 lb.

Program cattle are currently fed at two Oklahoma feedlots — Hitch Enterprises, Guymon, and Wheeler Brothers Feedyard, Watonga. On July 1 there were 18,670 program calves on feed.

The calves are fed a high-concentrate corn-based ration for maximum performance. "We attempt to sort cattle and feed to an optimum end point," Callahan adds.

Express is feeding vitamin E to program cattle for 100 days to increase color shelf life of the meat. They are currently experimenting with feeding vitamin D₃. Callahan says research shows D₃ increases tenderness 30-40%. The Express crew is also testing the use of implants and their effects on feeding and carcass quality.

In the next stage of the program, finished cattle are sent to Booker Packing, Booker, Texas, for harvesting. All carcasses are USDA graded for quality and yield. Callahan says the program's targets are:

- 50% or more Choice;
- No Standards;
- No dark-cutters;
- No Yield Grade (YG) 4s; and



EXAR

the Angus division

Managing people and cattle can be a lot alike. For Bob Funk, founder and chairman of Express Personnel Services and president/owner of Express Ranches, serving customers — whether corporate businesses or purebred or commercial cattlemen — is all in a day's work.

Funk and his wife, Nedra, moved to Oklahoma in 1969. Their first cattle purchase that same year was registered Angus. In 1982 Funk resigned his position as Acme Personnel Service's vice president to purchase the Oklahoma territory. He then formed his own companies, Oklahoma Personnel Service and Oklahoma Temporary Service. As the business grew, he founded Express Personnel Services and has served as president and director since its inception in 1983.

Today there are 380 Express Personnel locations in 44 states and five foreign countries. As the personnel business grew, so did Funk's interest in the cattle business. In 1990 he got into the Limousin business. The EXLR brand has been very successful in the show ring, sale ring and pasture.

In April 1995 Jarold Callahan, who at the time was executive vice president of the Oklahoma Cattlemen's Association (OCA), approached Funk about buying an Angus ranch located near Shawnee, Okla., that was donated to OCA. Funk agreed, and Callahan joined the Express crew as chief operating officer.

The Limousin division continues to be the largest. "It'll even out in the next couple of years," Callahan says. In 1996 the Angus division calved 300 head. In 1999 Callahan expects the number to be more than 800 head, about half resulting from embryo transfer (ET).

"My drive factor is to be the very best that I can possibly be," Funk says. "That is what my dad taught me when I was a kid — if you are going to do something, do it the best you can."

Wanting to market Express Ranches genetics and the branded beef program worldwide, Funk has hired Louis deNeuville from France to direct the international marketing campaign.

"Basically, what we're going to do is target franchise prospects in countries who will be interested in distributing our genetics," he explains.

The areas being targeted are Brazil, China, Argentina, Mexico and Eastern Europe.

Feeding Options

- No carcasses less than 600 lb. or more than 900 lb.

He says they are currently averaging 50% Choice and 81% YG 1s and 2s.

The carcasses are trucked to Canadian Valley in Oklahoma City, where the carcasses are processed then marketed as primals or case-ready cuts to retail stores in Texas and Oklahoma. Express Ranches Premium Beef is currently available in 120 stores, including three chains — Price Mart, Snyder's IGA and Mennard's.

John Luke, head of sales at Canadian Valley, says his company is excited about working with a seedstock producer and developing a program incorporating all levels of the production chain.

"Canadian Valley's goal is to provide customers the highest-quality, most-consistent product it possibly can," he says, adding that Express Ranches Premium Beef is helping the company meet that goal.

Callahan and Luke say demand for the product is excellent — requiring 40,000 head/year. "We have additional interest in the product but don't have the supply available now to fill those orders, so we are going to keep at the 40,000 level for now," Callahan adds.

Finding the premium

Profit is the basis of every business, and Express customers are finding a competitive edge through the Express Ranches Premium Beef program.

"The last couple of years the fed-cattle market has been terrible," says commercial cattleman Ralph Chain, Canton, Okla. "It's been more than a year since cattle made money in the feedyard."

With a history rich in the beef business, the Chain family has been feeding cattle for more than 80 years. In that time they have worked with several commercial feedlots and branded beef programs, looking to enhance their bottom line.

Chain worked with Express in 1997 during the researching and development phase of the program. This year all of their steer calves (3,000 head) went into the branded beef program.

"If Express wants to buy calves [sired by EXR genetics] for their beef program, they must be using the genetics that will perform in the feedlot and on the rail," says Chain, who has purchased more than 75 **Angus** bulls from Express during the last two years.

Beef producers have to do a better job

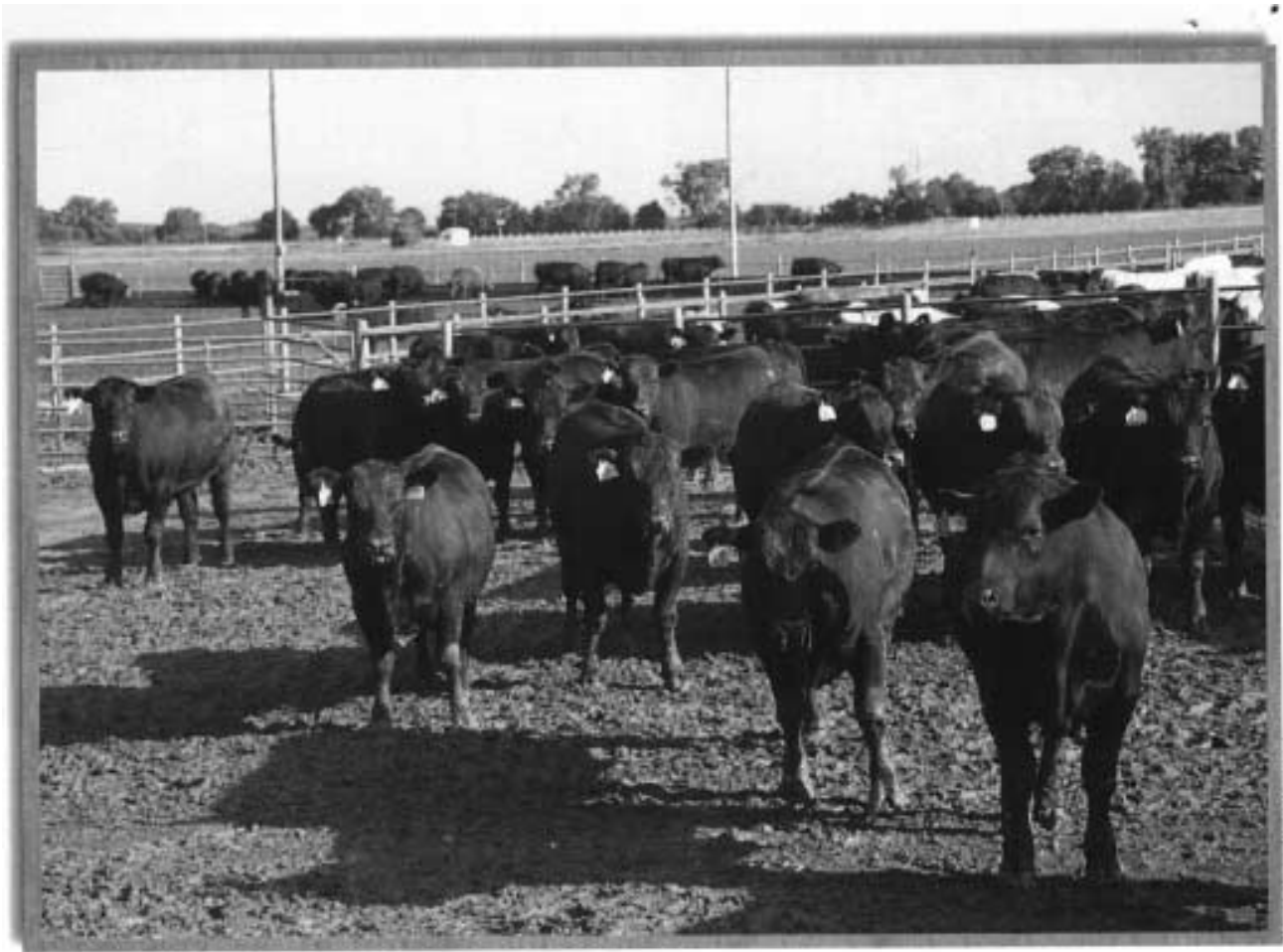


IMAGE BY JIM BENTON PHOTO

After a year of research and development, Express Ranches unveiled their branded beef product March 1. Express Ranches Premium Beef is now available in 120 Oklahoma and Texas retail stores.

marketing their product and must look for new options, Chain says. "Cattlemen haven't been able to get paid for producing the right type of cattle," he adds. "After you've put 2 to 2 1/2 years in a steer, then you have a week to sell it to the packer — the process can be frustrating."





ANGIE STUMP DENTON PHOTO

CARCASS FEEDBACK PROGRAMS:
**Providing an
 Education**

*Angus breeders across the
 country are learning
 valuable lessons
 by enrolling.*

BY LORI GILMORE

Jim McCauley knows the value of a good education. Today this retired North Carolina educator and veteran owner of Clover Paddocks Angus is a student of product improvement. McCauley, like countless Angus breeders across the country, enrolled in a feedout program to learn how his cattle would perform in the feedlot and on the rail.

Selling registered Angus bulls, by private treaty and through performance test sales, represents a majority of McCauley's beef business. The need for progeny data prompted this Burlington, N.C., cow-calf producer to participate in a carcass feedback project.

"I wanted the information to help market bulls," he says. By gathering progeny data from his own herd, McCauley believes he is able to verify his herd sire's EPDs (expected progeny differences) printed in the American Angus Association's *Sire Evaluation Report*. "I see it as a real advantage if we have supporting data collected from this type of experience to

show our seedstock customers."

McCauley entered four steers, representing the midrange of his 55-head herd, in the North Carolina Steer Feedout last fall. Through the state-sponsored program, he followed the animals from his Angus herd to an Oklahoma feedlot and finally to the rail.

It was the first time McCauley got useful feedlot performance and carcass figures. Like many other feedout participants, he had never fed his own calves.

In fact, this cow-calf producer, who has been raising registered Angus since 1965, had never seen a large-scale feedyard firsthand. Part of his educational experience through the North Carolina program involved a field trip to Buffalo Feeders, Buffalo, Okla. While there, McCauley and his wife, Donna, were able to see the North Carolina entries that had been shipped halfway across the country and to meet with the feedlot manager.

After completing the first test, McCauley is using the valuable information. His four

entries sold on a grid-marketing system in April and graded Choice. According to McCauley, the initial results confirm adequate marbling is important for capturing premiums. Based on the available figures, the producer purchased another Angus bull, one with higher marblingEPDs than his previous herd sire.

Running out of options for gathering numbers to study, Billy Womack of Ashford, Ala., turned to Alabama's Pasture to Rail Program.

As owner of Rocky Creek Farms, Womack has many years of experience with retained ownership and carcass data collection. Based in the southeastern corner of Alabama, only 10 miles from both the Georgia and Florida state lines, Womack manages 250 black cows, of which half are registered Angus.

Over the past 34 years, Womack has invariably fed out steers and culled heifers. The southern producer has been able to follow animals to the rail and secure carcass data a majority of the time. However, this became a greater challenge, according to Womack, as slaughter facilities throughout the state closed. After a small packing plant in nearby Dothan closed in 1980, the Alabama producer started sending cattle to slaughter 300 miles away in south Florida.

As an alternative, Womack signed up several years ago for the Alabama Pasture to Rail program and sent five head. Since then he has steadily increased his entries, enrolling as many as 60 head.

As a repeat participant in the educational project, this cow-calf producer says he "no longer needs to be convinced of anything" to submit cattle. In fact, he says he has enrolled in Alabama's program since the early '90s strictly to gather information to ensure his Angus program is staying on the right track.

"What I'm aiming for is to have a herd strong in carcass genetics," he says. "I send cattle to the Pasture to Rail program to get the most information that I can."

Most feedout programs allow producers to enroll with as few as five head, while some accept even one animal. Many programs do not limit the number of cattle a producer enters. In most cases, for a relatively low entry fee, producers can get much-needed feedlot and carcass information. For instance, the Alabama cattle are shipped to feedlots in Kansas and Iowa, so the \$35/head entry fee essentially covers trucking expenses.

By submitting cattle in a feedout, Womack believes he is able to obtain complete carcass information needed to evaluate sires. "I use the carcass feedback program to monitor bulls used in my program," he says.



BRAD PARKER PHOTO

Over the past two years Womack sent 14 steers sired by a bull he raised. The numbers that came back showed him they all graded Choice and 13 of the 14 finished straight Choice or better.

"For smaller producers, this is a way to get data on your cattle and see where you are."

— Howard Jensen

"That's important," Womack says. "It confirms the kind of cattle I'm looking for. I'm using that particular sire as hard as I can, and I've discarded other bulls with results that I don't want."

"How am I going to get carcass data if I don't want to retain them all?" is a question Howard Jensen of Troy, Kan., often hears. This veterinarian and consultant for Vita Farm believes one "real way" to collect data is by entering calves in a feedout project. Jensen is a founding participant of the Northeast Kansas Steer Futurity.

A group of producers from Doniphan and Jackson counties, an area where cow herd numbers are typically smaller than in the western part of the state, formed the futurity two years ago. With the assistance of county Extension personnel, these producers wanted to "get their feet wet" feeding cattle and learn about retained ownership. The idea came from an existing beef profit club. Today the futurity is open to all northeast Kansas cattlemen.

"For smaller producers, this is a way to

get some data on your cattle and see where you are," Jensen says. "Maybe you have cattle that will work, or maybe you don't. If the results show you don't, you must make changes instead of waiting until the market forces you to."

Futurity participants have compiled two years of important feedlot and carcass numbers. In the first year, the group put together one pen. With increased interest, the group finished out two pens and sold cattle on a high-quality grid this past spring.

In addition to being a cheerleader for the program, Jensen also sends his own cattle. His livestock program consists of 100 Angus cows. Jensen says that he, like many other participants, had previously sold calves and never followed them to the end. Last fall, after preconditioning the calves, he handpicked 19 steers to send to the Nebraska feedlot.

Jensen plans to use the information returned from the project as a tool for improving his herd. The numbers from the first trial showed Jensen he can make money with his calves. However, he admits the most important lesson he learned is the variance in his own herd. Jensen witnessed a \$220 spread in the first test from animals with similar pedigrees.

Jensen believes data will drive business transactions in the future. He says, "If you've got good cattle, you either need to be proving that to somebody else or keeping them for yourself."

Jensen recommends that cow-calf producers, from any size operation, participate in a carcass feedback project at least once. "Even if your cattle don't work in this particular situation, consider it tuition to learn what you are producing," he says.

