

Doug Boggan could be considered an upperclassman in the school of livestock production. As a lifelong commercial cattleman, he's equipped with years of practical experience and sound knowledge. Regardless, Boggan is continuing his education in University of Idaho Cooperative Extension's A to Z Retained Ownership program.

"Each rancher has different reasons for participating," says Patrick Momont, University of Idaho Extension beef specialist. Purebred producers sign up to test new sires or to promote progeny. Commercial cattlemen are attracted by the documented, individual carcass and performance data that can be obtained. Producers running small numbers of cows may want to get a taste for feeding out their calves or to study risk-management issues.

Documenting value

Boggan is a self-described small-scale producer. With the help of his wife, Sharon, and two children, Jenna and James, he runs a commercial ranching operation consisting of 150 spring-calving cows, primarily of Angus influence. In the past, he not only lacked the numbers to fill a feedlot pen, but he also lacked the information — performance and carcass merit data — to stand behind his product on sale day.

The Riggins, Idaho, rancher set out to fill that void four years ago by enrolling in the A to Z Retained Ownership program. Each year he has followed 20-25 steer calves through the feedlot to harvest. Consequently, Boggan now has documented proof that "my cattle are at least as good or maybe better than I thought."

By participating in the A to Z program and receiving individual feedout and carcass figures, Boggan discovered a high percentage of his Angus-sired calves consistently grade Choice or better at 14 months of age. He has been equally impressed with his animals' ability to gain.

"My calves are raised in an extremely mountainous area



Idaho's A to Z Retained Ownership Program

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BY LORI GILMORE



PHOTOS COURTESY IDAHO'S A TO Z PROGRAM

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and do fairly well when they hit the flat ground in the feedlot," he says, describing his home area located along the Salmon River near the Seven Devils Mountains.

In the future Boggan plans to use the A to Z data to help sell replacement females.

Program start

According to Momont, progressive beef producers pushed for a retained ownership program nearly a decade ago. After a year and a half of initial groundwork, A to Z originated seven years ago in the southwestern part of the state as a two-county educational endeavor. Since then, the producer-driven retained ownership and carcass feedback initiative has expanded significantly, with nearly 100 ranches from four states participating. To date, numbers have been gathered on 3,000 head.

Throughout the history of the A to Z program, participants have been able to get much-needed individual feedlot and carcass data at no extra cost. "There are no entry fees or out-of-pocket feed expenses for producers to participate," Momont adds. In addition to four pharmaceutical companies providing ongoing financial assistance, the feeding portion of the Idaho educational program is financed through a selected lending institution.

In establishing A to Z, a core group of cattlemen determined the direction of the program. They developed a survey in order to interview prospective feedlots. The directors selected and today remain with Bruneau Cattle Co., Bruneau, Idaho, as their custom feedlot.

In the beginning, A to Z participants could only submit steers in the retained ownership program, according to Momont. Later, heifer pens were added. In response to participant input, yearlings will be included in the program this fall for the first time.

The entry process for the retained ownership program is straightforward. Cattlemen

from any state may send up to 50 head. To participate, interested producers contact Momont, the Extension livestock specialist, by late September, follow prescribed preconditioning requirements, place program ear tags in the designated animals, and ship the cattle in mid-November to the Bruneau feedlot.

Take-home lessons

In addition to learning about feedlot performance and carcass merit, A to Z participants discover firsthand the added financial risk of retaining calves through slaughter.

Of the last seven years, the steers have only been profitable three, Momont says.

Admittedly, the monetary aspect of retaining ownership has not always been positive; however, the latest A to Z numbers proved rewarding. In the recently completed 1998-99 trial, 750 steer and heifer entries sold on a marketing formula carcass grid to an IBP facility in Boise for an average profit of \$60-\$65/head.

While several other states offer similar performance and carcass feedback initiatives, Idaho's A to Z program takes the "real-world" experience one step further, addressing risk management. According to Momont, the risk management aspect was added a few years ago based on producer response. Its inclusion served as a key point for the program's being selected for the Governor's Award in Agriculture for innovation and marketing.

"The program has evolved," says Neil Rimbey, Idaho Extension range economist. "Participants want to know what marketing alternatives are available throughout the feeding program, and if there is any way to protect themselves from the uncertainty tied to supply and demand.

"Year in and year out there seems to be an opportunity to make a decision when cattle are placed on feed to lock in a profit or provide protection from price decline by using the futures market," Rimbey says. "The

years the A to Z cattle weren't profitable, risk management or hedging would have paid."

For example, one year A to Z participants lost money in the cash market. "They could have protected themselves and made \$20 per head if participants incorporated futures marketing into their plans," Rimbey says.

Last fall Rimbey led three risk management seminars, focusing particularly on the futures and options market as a tool to manage the price risk of retaining ownership. He began by introducing the basics. At those sessions he urged producers to first gain an accurate understanding of production costs to determine a breakeven level.

Another method for reducing price risk and uncertainty is through understanding of current market situations, says Rimbey. To help producers comprehend, the economist sends a monthly newsletter along with program feedlot results.

"While many may still only be practicing with 'paper hedges,' tracking of an imaginary transaction on paper, a growing number are paying closer attention to the market," Rimbey says. "They realize there are more things influencing the market than their home area. Hopefully, they are looking at the total picture now, rather than just the production end."

While the A to Z group as a whole is not formally trading on the futures market, individuals can. Part of the reason the entire group doesn't take action is that getting a consensus on the market direction from 30-plus ranchers is nearly impossible, says Rimbey. "Every participant has a different perspective of the market outlook."

As a result, entry numbers have been increased to 50 head, allowing interested producers to fulfill futures contracts with sufficient poundage.

Lessons to reality

In addition to risk management knowledge, Boggan now has a greater understanding of his particular



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commercial beef program. During his four-year study, the grades on his preconditioning program have come back satisfactory. Boggan says his individual financial results have shown the importance of calf health through the feedlot. He plans to feed trace minerals year-round to further boost calf immunity.

At the same time, Boggan will address and work on some areas based on the documented results. "I need to increase marbling," he says. Ideally, he adds, every Angus calf he feeds would meet *Certified Angus Beef*[™] specifications.

He also will work to reduce variability by watching expected progeny differences (EPDs) on the registered Angus bulls he

purchases. In the future he plans to increase his emphasis on marbling without compromising existing maternal qualities.

This fall Boggan will enroll once again in the A to Z study. In addition to sending steers, he'll submit yearling heifers. "That will give me a really good picture of where my herd actually stands," he says.

"Since most of the nation's cattle come from smaller herds, it is important that we as smaller producers work to improve our genetics," Boggan says. "I believe we can make a tremendous impact on improving the quality of beef."

A lesson learned well from A to Z.

