

Partner of the Year



A leader in the feeding industry commits to improved quality and service and stands out as a partner in the Feedlot Licensing Program.

BY STEVE SUTHER

A Cimarron, Kan., cattle feeding company was named 2000 Feedlot Partner of the Year at the *Certified Angus Beef*[™] Annual Conference in Whistler, British Columbia, Aug. 26. This was the first year for the award, presented to the licensed feedlot that has been most actively involved in the Feedlot Licensing Program (FLP) and most committed to its success during the past year.

That's based on a combination of volume of enrolled cattle, those accepted by the Certified Angus Beef (CAB) Program, acceptance rate, cumulative feedlot performance, strategies that build the partnership between the feedlot and CAB, and attention to detail.

Feeding cattle is a big enterprise at Irsik & Doll Inc., which owns five Kansas yards and has a one-time combined capacity of 170,000 head. But a long-term commitment to quality and service with integrity always have been the reasons for its growth from a single 2,500-head Ingalls, Kan., feedlot that opened its gates to customers in the spring of 1961. The company has a track record of innovation and leadership that was evident in its relationship with the new FLP.

"This was the very first licensee to tag cattle for the program," says John Stika, director of feeder-packer relations for Certified Angus Beef LLC. "That's vitally important when a program is just getting started."

But there's more. "One of the biggest challenges we face in supply development is shifting



PHOTOS BY STEVE SUTHER

One of the main components of the joint CAB-Irsik & Doll approach is data. "Without data, cattle are cattle," says Ron Kramer, customer services director, shown with Bill Wohlenhaus (left) of the Irsik & Doll Feed Yard, Garden City, Kan.

producers from the industry's typical commodity mind-set to a focus on quality," Stika says. "Irsik & Doll stands out for its ability to make that shift to individual carcass quality. Not only have they embraced the quality target, but they have been effective in moving cow-calf producers toward that target."

But there's even more. "Irsik & Doll was the first licensee to arrange for on-site CAB quality assurance staff training," he continues. "They recognized that management can make or break a set of potentially high-quality Angus

effectively with its producer clientele to pass along what the staff learned in seminars," Stika says. "Irsik & Doll staff have developed some of the most innovative procurement, shared-ownership and marketing programs available in the industry today in terms of being able to pass both information and premiums from high-quality cattle back to producers."

Mind-set for today

Irsik & Doll was founded and grew to its present size on the principles of managing and marketing cattle as commodities and selling on the average. Today, CEO John Petz says, "our future is tied to increasing the focus on customers and cattle as individuals."

Petz sees the licensing agreement with CAB as a partnership that establishes Irsik & Doll as a major player in the quality-cattle market.

"Traditionally, this has been a business that fed whatever people brought us, including buyers for investors — a great mixture I'm sure," he says. "Retained ownership is growing now because of the industry's focus on genetics and tracking of cattle history."

Customer Services Director Ron Kramer agrees.

"The CAB Program really helped that aspect of our business growth and the services we offer, such as getting data back to the producers," he says. "That's the key thing in the industry now, and retained ownership [by the cow-calf producer] is the key to our sustained growth in the future."

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Petz says that is true because the increasingly competitive market doesn't allow ownership of cattle to pass multiple times and generate profit for each traditional segment. Neither will the market allow business as usual in the overbuilt feeding industry.

The late 20th century saw continuous expansion and consolidation, but Petz sees the coming years more focused on "rightsizing" and upgrading existing facilities to gain efficiency and serviceability for quality-oriented customers.

Partnering for growth

When Irsik & Doll needed an alliance or partnership to further its goals, a clear choice appeared. "There were a lot of quality-beef initiatives going on out there, but our feedyard management team saw CAB as the vehicle that had the grassroots management-support system behind it," Petz says.

Irsik & Doll and CAB share a consumer-driven vision of the future, Kramer says. "CAB is the most recognized branded beef product out there, and they recognized us as being a leader in the industry as well."

Petz adds, "It's been a slow buildup, but there are a lot of adjusted management practices in handling CAB-targeted cattle that you have to learn. I think we're getting our feet on the ground."

The commitment to quality has stimulated part of the company's existing customer base of more than 400 active clients — a group Petz calls "first-class and highly qualified" — and has attracted new customers with that shared commitment.

Networking turns out to be a

big key to the growing customer base, working through Angus seedstock producers or quality-minded commercial Angus producers who pull together American Angus Association resources with the expertise at Irsik & Doll feedlots, Petz says.

Kramer adds, "We work with seedstock producers [who] are interested in giving their customer something that they alone can't give. We fit into that really well."

Keys to the future

After decades of physical growth in the cattle feeding industry, Petz says Irsik & Doll has taken stock of its assets and found that its people top the list. "They are experienced, adaptable and innovative, and with our commitment to higher-quality beef with more individual management, that holds great promise," he says.

The beef industry is in a period of change, Petz says. "Training is the response to change. We don't know if we've got everything figured out or what it will work like in 10 years, but we want people who can adapt quickly to those things as we discover them."

The key to a profitable future is not to capture the market by acquisition, Petz says. "The key is to invest in your approach so that you have the right resources, both facilities and people, to do what you need to do to grow in this business."

Current managers include Ken Burch, Beeftand, Garden City; David Ast, Gray County Feed Yard, Cimarron; Larry Penka, Ingalls Feed Yard, Ingalls; Bill Wohlenhaus, Irsik & Doll Feed Yard, Garden City; and Steve Landgraf, Royal Beef, Scott City.



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One of the main components of the joint CAB-Irsik & Doll approach is data, Petz and Kramer note.

"Without data, cattle are cattle, and we've fed good, black cattle for years," Kramer says. "What has changed is we've concentrated our efforts on the good ones and working with producers who are interested in knowing what they've got. CAB gives us the tools to get that done."

"Even with good cattle, you don't know how good they are 'til you feed them," Kramer adds. "Along with that comes real price discovery at the feeder cattle level — that's why we're measuring performance, as well as carcass quality."

Wohlenhaus, manager of the 25,000-head Irsik & Doll Feed Yard, where many of the CAB tagged cattle are fed, says cattle quality has "declined considerably over the last 15 years." While some producers are improving now, it's not widespread.

"A lot of producers are satisfied that they have black-hided cattle, and they think they're worth a lot," he says, "but when you hang up a pen of those at 25% Choice, you really get disappointed."

Higher-quality cattle are easier to manage, he says. "Presently I spend 80% of my time with 30% of the cattle in

the yard. As we get better cattle in here, it makes my job easier."

Wohlenhaus sees a growing trend in retained-ownership customers. "When we maintain the individual identity and pass carcass data back to the original producer, that helps us get higher-quality cattle in the future. As producers get more feedback and adjust their genetics and management, we could see more cattle that gain, convert and grade, all in one package."

He and Kramer caution customers against placing too much stock in one year's data, however.

"When somebody makes genetic changes, keeps replacements or buys bred females, he may have already had a pretty good genetic base," Kramer notes. "You grab a set of calves that feed well and kill really well, but in the meantime he may have bred them a different way so that next year's calves are a very different set of cattle."

"Data and information have been talked about a lot, but there hasn't been enough done to set a pattern. Producers look at EPDs (expected progeny differences), but a lot of them don't know what they should be selecting for. You've got to have the balance between growth and carcass to really make them work. We're here to help them find out where that balance is."

CAB Vice President Larry Corah was present two years ago for the first talks with Irsik & Doll about the concept of licensing feedlots.

"It has been exciting to watch this company take up the CAB partnership and exemplify the way cattle feeders will do business in the future," Corah says. "We are really pleased to have the opportunity to recognize Irsik & Doll for their outstanding achievement as the very first Partner of the Year."

