

Stirring Up Higher Quality

CAB 2002 Quality Assurance Officer of the Year combines genetic, feedlot and people skills.

Story and photos by **Steve Suther**

Ride around with Wayne Smith and you'll soon discover a few telling facts.

Before the tour of Hergert Feeding Co. (HFC), a 12,000-head Certified Angus Beef LLC (CAB) licensed feedlot near Mitchell, Neb., Smith will pound on the truck hood to alert sleeping cats. He cares about all animals. Cruising the alleys, he'll point out details, with something positive to say about every pen of cattle.

He may or may not stop to pocket a pebble from the rocky perimeter. He already has a row of them on his desk. But you will learn something about the local geology. Mostly, you will notice the big guy loves his job. And while he's not big on titles, he's very big on business and data details.

The unassuming manager at HFC is the CAB Quality Assurance (QA) Officer of the Year for 2002.

"I'm the pot stirrer," he says, a slow smile spreading from behind a ginger coffee-strainer mustache to the sun-narrowed eyes under his hat. Those who know him say he's always stirring to improve the flow of information and profitability for customers. Invariably, they like him, and they like the results of that stirring.

"Wayne is one of the best feeders, marketers and cowboys around," says Gary

Parker, Laramie, Wyo., whose 700-cow Shamrock Angus Ranch has worked to build a network with HFC, from progeny testing to heifer development and breeding, and feeding for customers. "He's 100% honest and straight with us, and I really can't say enough good about him. I started feeding there because of David [Hergert, owner]. I stay there because of Wayne."

CAB feeder-packer relations assistant director Turk Stovall, like Parker, finds much to appreciate in Smith. "He has taken cooperation with us to new levels, from reporting to implementing new aspects of the Feedlot-Licensing Program (FLP)," Stovall says. "Wayne was the first manager to make the commitment to electronic [e-mail] data reporting. That's the kind of thing that helps everybody on efficiency and gets his customers the information they need for selection and management adjustments."

Among 12 strong candidates for QA Officer of the Year, Smith stood out for his proactive communication and overall constructive attitude in building the FLP, Stovall adds. He won a trip for two to the National Finals Rodeo in Las Vegas this December.

Smith started with HFC in 1992 (before there was a feedlot) in customer relations for Hergert Feeds, which sells to ranchers like Parker across a five-state area. The South Dakota State University (SDSU) graduate arrived in the area by way of jobs in Kansas and Colorado before managing Ankony's bull development center at Minatare, Neb. He marketed nearly 2,000 bulls in two years and brought that knowledge of beef genetics when he signed on with Hergert after a change in Ankony ownership.

The first postholes were dug in June 1993 with Smith's help, and HFC opened for business in October 1993. It's part of a growing Hergert mix of enterprises that now includes an 800-cow commercial Angus ranch north of Torrington, Wyo. It also includes 16 irrigation circles of farmland, next to the feedlot, that helps feed a new cow herd that will soon encompass 600 more Angus-based cows.

Genetic inputs

Smith oversees the genetics. Rod Schuppan, is operations manager at the Hergert Ranch in Wyoming. For nine years the company has built its cow herd through a combination of heifer artificial insemination (AI) at the feedlot and progeny testing on the ranch for Summitcrest and TC Ranch seedstock Angus operations.

"This is the first year the Hergert heifers have been AI'd at the ranch," Smith says. "We made up that volume at the feedlot with other customers and clients, such as Shamrock."



► "I love to feed the high-quality cattle, because we can get so much more out of them," says Wayne Smith of Hergert Feeding Co., Mitchell, Neb. "We just have to find the best and make them better."



► Hergert Ranch calves have already turned in some impressive feeding and grading reports, with progress especially evident in the last couple of years.

It's also the first year Smith has been free to choose bulls and chart a genetic course outside of the random requirements of structured sire evaluation. He's still following that path with heifers, but added another kind of structure this spring when the same heifers with calves were bred back to the same Shamrock Angus sires in order to build consistency. Smith is following a similar course with bulls from TC Ranch on 2002 and 2003 first- and second-calf heifers.

Hergert Ranch calves have already turned in some impressive feeding and grading reports, with progress especially evident in the last couple of years. The 675 head of ranch cattle harvested in 2000 went 73% Choice or better and had a 28.9% *Certified Angus Beef*[®] (CAB[®]) brand acceptance rate. Last year's 428 head achieved better than 85% Choice and 43.1% CAB and Prime.

"We made pretty drastic and rapid improvement in the last nine years, retaining the AI-sired heifers," Smith says, pointing out that in the early 1990s steers rarely matched national CAB acceptance rates. The ranch went from calving in February and weaning 550-pound (lb.) calves in October to calving in April and weaning 500-lb. calves in September. "We're basically coming into the feedlot with the same pounds. Maternally, we have improved milk production — in some cases overshot the target — but remember, we didn't pick the bulls."

Still, Hergert Ranch gained early use of some elite sires.



► Mike Dalles (left) and Gary Parker, both of Laramie, Wyo., reap the benefits of individual data collection through Hergert Feeding Co.

"Sire testing gave us access to a lot of very good bulls," Smith says, noting they used bulls like TC Advantage and Summitcrest Hi Flyer 3B18 (Pfred) as yearlings. "If we would have done planned matings instead of random breeding, we'd probably have a different cow herd, but we had an honest test of a lot of bulls."

Time for information

"My position deals with getting the records from the ranch and keeping track, working with the breeders — who wants to do what, where and when, what semen to use on what number of head they want to test," Smith explains. He also manages company

yearlings on grass and works with the outside ranches in coordinating health, weaning and shipping. "Gary Parker has done a good job assisting us as we are assisting him, sending cattle from his bull customers on a regular basis."

For some, like Tom Dunn, Mike McGill and Mike Dalles, all of Laramie, Wyo., HFC collects individual performance and carcass data. A group of half a dozen Shamrock customers sends their open yearling heifers to HFC each fall.

"We put them on feed and sell them as finished just after the first of the year," Smith says. "Compared to selling as culls at the

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auction, they end up getting a lot more on the grid, where the CAB premium helps considerably.”

Parker has seen value-based marketing develop over the last 10 years and has been “pushing customers to get information back.” He sees an urgency now.

“If they wait to gather information until they notice they only have commodity beef, by the time they get up to speed they may not be in business any longer,” he says. The open heifers, a fact of life every fall, seemed like an opportunity. “We started feeding ours three years ago and had daily gains near 5 pounds, cost of gain at 38¢, grading 100% Choice or better and 86% CAB. We started talking to neighbors about it.”

He reasoned with producers that if they had been buying the right kind of bulls, their cattle would grade. And Parker could show them the results of cattle he had purchased from them and fed out. “There’s some profitability in these cattle, but you guys aren’t getting in on it,” he told them.

“We got two of them to go along the first year. They couldn’t believe there was that much cash lying on the table. They also saw the difference in what a good carcass was worth and what an average carcass brought. It woke them up,” Parker says. “They started really paying attention to the carcass side, which you can do today while keeping your focus on balancing all the other traits.”

Last fall, six neighbors fed yearling heifers

in the Shamrock pen at HFC, achieving an average of 80% Choice and 35% CAB and Prime, and receiving individual information on their cattle.

Producers can learn something by collecting information on a few head every year given time, Smith says. He points out a pen of Angus-based cattle owned by a “20-year feed customer” from Kaycee, Wyo. “He doesn’t send all his calves, but always some of them over the past seven years, using that information to build his herd.”

Parker says some customers have moved on to retaining ownership and partnering on their own pens of cattle on feed. “As they find out about their cattle, more are thinking about coming in this fall. We don’t need to

worry about grade or about Wayne getting it done right for us at the feedlot,” he says. “But we might worry about what they are worth. I’m telling customers not to retain all; sell at least half. If you skip a year, there could be no income for the banks, and then Uncle Sam may take a bigger chunk if you double up.”

Smith is on the same page. “I don’t need all of anybody’s calf crop. The producer needs to know, but he doesn’t need to feed them all himself,” the cattle feeder says. “I will take the 25 biggest or 25 littlest, whatever doesn’t fit, and he can extrapolate from that how the others will do. Even starting with group data, he can continue to sell them and have pricing leverage.”

Changing attitudes

A typical dialogue between rancher and feeder has been something like this, Smith narrates:

“How’d my calves do?”

“They did really well, and we’d like to buy them again.”

“But how’d they do?”

“Good enough that we want to buy them again!”

“At a lot of places, if you want to know more, you have to own them,” Smith says. “I’m not that way. I get in trouble because if people ask, I tell them. Traditionally, the first thing that happens when calves arrive in a feedlot is that all the ranch tags are cut out. I try to find any reason to keep them in first.”

That’s an example of the winning attitude that makes HFC one of the most user-friendly custom yards in the business. But Smith is no pushover; he knows how to say no, too.

“Your calves aren’t always worth more, and even the best calves have a practical ceiling price,” he cautions, “but we will negotiate on partner pens. The first thing sellers have to understand is they are not worth more because they are black. We need proof of how good they are.”

That said, Smith will leave the light on for you to join in the discovery with him. “I love to feed the high-quality cattle, because we can get so much more out of them. We just have to find the best and make them better.”

