

Nobody Does It Better

Nothing beats the best Angus at Gregory Feedlots, the 2002 CAB Feedlot Partner of the Year for yards with fewer than 20,000 head.

Story and photos by **Steve Suther**

It's hard to imagine a better fit than Gregory Feedlots Inc. and Certified Angus Beef LLC (CAB). When CAB began to consider licensing feedlots in fall 1998, the Tabor, Iowa, business was on a short list of those known to be ready and willing. Honored as 2002 Feedlot Partner of the Year among yards with fewer than 20,000 head, Gregory Feedlots "represents everything we want a licensed partner to be," says CAB assistant feeder-packer relations director Turk Stovall.

The feedlots — a main yard and a smaller one up the road — were started by three brothers 40 years ago. Leading that trio, Jim Gregory still works there every day as CEO. Manager David Trowbridge has been with the family-owned company since 1977, and the two have worked to build relationships with Angus producers over the years. One-time capacity has been rated as high as 10,000 head, but things have changed since the days when feet of bunk space was equivalent to capacity.

As a 7,000-head custom feedlot, Gregory's makes a good example of how to build relationships with Angus cow-calf producers. "Pen for pen, no CAB-licensed partner has done it better," Stovall says. "Compared to some Western feedlots, Gregory's is not large, but their commitment to the brand has been huge."

When the company was chosen Feedlot Partner of the Month last December, Gregory considered it a measure of how well customers are served.

"We will continue to pursue good Angus-based cattle in the lot and feed them for the profitable CAB® (*Certified Angus Beef*®) target," he said. That's just what they did this year, regularly enrolling cattle that stand out at greater than 30% CAB and Prime with no discounts.

An Angus magnet

From the first year, Gregory Feedlots was a leader, enrolling 1,835 CAB-tagged cattle. It has increased that by at least 10% for each of the last two years. That doesn't come from sitting in the stands and buying black-hided cattle, but from forging deeper ties with bona fide Angus producers in several states.



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► **Below:** With new marketing strategies, management focus and increasingly better Angus cattle to feed, David Trowbridge says he has learned not to sell too early.



Among the more notable, the 26 members of Indiana's Quality Beef Partnership fed 1,324 Angus calves of Nichols and Anderson Circle influence at Gregory's last winter (see the *Angus Journal* July 2002 story on page 12 of the Feeding Options section). Closer to home, one of the most rewarding business relationships has been with C.K. Allen's Woodland Farms of Savannah, Mo., the 2002 Seedstock Commitment to Excellence

winner. Gregory feeds calves that Allen buys back from customers such as the CAB commercial award winner, Hubach Farms, Rea, Mo., as well as direct placements from the Woodland Alliance and other Woodland customers.

Trowbridge says the feedlot has fed for some retained ownership customers since the late 1980s. That's when he and Gregory

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backed away from the idea that they had a 10,000- or even 8,000-head facility. "Before that, investors used to put together 200-head pens, or whatever the capacity was. Now you get 120 instead of 170, and 80 instead of 120," he says. "You have to utilize your pens as they are available and as cattle come in."

By design, the yard now allows more bunk space for customer cattle, too. "Over the last 15 years, we have specialized more and more in retained ownership for the guy with 100 to 150 cows," Trowbridge says. "We like to have 80 head, but we feed for some down to 50 calves — and since the mid-'90s we have been feeding a lot of mixed-sex pens. Prior to that, I didn't even consider it, but the retained ownership business has made us change, and it has worked out well."

By using melengestrol acetate (MGA) to control estrus in those pens, and allowing that extra bunk room, Gregory says performance and grade have been comparable to traditional pens. The mixed-sex option has given smaller producers the chance to feed, he adds.

Retaining quality

The feedlot has a reputation for feeding high-quality cattle, but that doesn't mean sacrificing performance. Two years ago, during the worst winter in 25 years, Trowbridge says the Hubach calves "fed like it was a normal winter with a feed conversion of around 6 [pounds (lb.) of feed per lb. of gain]." The cattle achieved 55% CAB acceptance with 81% Yield Grades (YG) 1 and 2. Last year, in the mildest winter on record, all cattle gained 0.2 lb. above expectations, ranging from 2.8 to 3.9 lb. average daily gains (ADG).

"Some exotics had higher gains, but nothing beat the Angus cattle for cost of gain — our top five pens were Angus," Trowbridge says.

Local "investors" like to partner on such cattle, he adds. "We can pick up investors to buy our share of known cattle, such as the Woodland Farms calves. They like retained ownership — "if those guys will stand beside their cattle, I want in on that." They haven't made a lot of money because it costs to get in on the best, but they really like to come and look at their cattle," Trowbridge says. "They like to feed the best."

Last year, nobody got rich on retained ownership, but interest was up sharply this summer, "even from total novice first-timers," Trowbridge reports. "It could be an excellent opportunity. A number of cows were sold, and calves moved early out West. If they go to feedlots and get finished ahead of normal, there will be some opportunities."

Being a CAB-licensed feedlot generates many calls, he says, some from as far away as the Rocky Mountain foothills of Montana and Wyoming. "A lot of those guys have Angus cows, and they identify with a relatively small Iowa feeder, looking for service and the Angus focus."

Potential customers often ask, "How much more CAB premium do you get, being a licensed yard?" Trowbridge says. "We tell them we have no special advantage there, but we pick up more experience and training on how to maximize carcass value through feeding management."

Being more aware of the end target, Trowbridge says Gregory Feedlots changed marketing tactics since becoming licensed. "Before, we sold mostly live — and we didn't care if they were green, 60 days early — if somebody would buy, we sold because we wanted the price," he recalls. "We were running 40% to 50% Choice, but now it's 80% Choice or better."

With new marketing strategies, management focus and increasingly better

Angus cattle to feed, Trowbridge says he has learned not to sell too early. Some cattle can be profitable if sold later.

"We have seen more of these ideal cattle, more Choice with less backfat, done at 0.3 inches of backfat," he says. "The Hubach cattle, for example, weren't just done on one day and you had to get rid of them — we had more of a window to put on carcass weight." That was important for Allen, too, as less need to sort kept sire groups together.

Know your Angus

Gregory has a list of cattle he hopes to feed this fall, and people want their cattle on that list.

"I get questions on what Angus lines to use, but I tell them to go to the Angus Association for specifics," Trowbridge says. Still, he shares a few ideas. "There are some Angus that only have the performance, and some only have the grade. It's not the breeder; it's what bulls you select from that breeder and how they work on your cows."

"You have to get your cows uniform enough that you can use the same kind of bulls on all of them," he adds. "That's going to make your calves worth more in a couple of years. If you only sell feeder cattle and don't pay attention to how they do after the sale, you're just playing a short-term game, living for today."

Producers may find a general "black-hided premium." Trowbridge says it's \$10 per hundredweight (cwt.) in the area. "I think that's wrong, but feedlots are guilty of the speculation. If you don't know anything else about any of them, chances are the black ones will do the best on the grid because chances are there is an Angus influence," he explains. "We buy almost all of ours privately from known sources now."

Trowbridge hopes for more open and easy information sharing in the future. A critical step will be electronic or e-mail data transfers from licensed CAB packer to feedlot, arranged by source. "That kind of information would be easy to send back to cow-calf producers."

The Gregory team sorts most pens several times to maximize carcass value, but until electronic reporting is streamlined, that makes it more difficult to get individual data back to the ranch.

"The CAB reports are the best we can get," Trowbridge adds. "Sometimes I get their detailed summary before I get the packer reports." Data gathering and interpreting is a new business, and still in the developing stages, he knows. "At each segment in the information chain, the data is on a computer, but often is reentered manually. It would be neat to just get on the Internet and look up your cattle with a password." 