

# Feeding Options

*Beef producers have had hard choices to make as they've weaned their calves this fall.*

by Angie Stump Denton



Option — the power or right to choose. Each year beef producers decide which road they'll take at weaning time. For many producers this is an easy decision; to others the road untraveled is a difficult one to take.

As history prevails the common beef chain starts with

the seedstock producer followed by the commercial producer, to the feedyard, the packer and finally the consumer.

As seedstock producers you are asked to diffuse all of the information from each link of the beef chain, and feedback from the different groups has been hard to obtain.

Change begins with you, the seedstock producer.

Within this special feeding options issue you will discover different marketing decisions producers are making today. I couldn't have interviewed two more opposite cattlemen than Owen Jones, Britton, S.D., and Dave Hamilton, Thedford, Neb. But the bottomline is they both are successful at what they do.

One article in this issue addresses the importance of a structured vaccination program. Results from the Texas A&M Ranch to Rail program proves an aggressive vaccination program will result in increased feedlot performance.

Selling on the grid, or value-based marketing, is a buzz word in the beef industry today. While many producers have found value in this marketing option, others are scared to try. Producers who use proven genetics will be rewarded through this value-based marketing system. See the article on page 57, to see how you can be paid for what you produce.

This past year the beef industry has experienced volatile markets. With high corn prices and low fed and feeder cattle markets, producers have been caught in an unfortunate situation. As this issue goes to press there looks to be relief in the market situation. With harvest in full swing, the 1996 corn crop was filling bins throughout the Midwest, which will release the pressure on corn prices. Feeders are also experiencing higher fed cattle prices that are expected to continue through the fall.

## Tools Available

Angus breeders today have many tools available to facilitate change.

With the largest carcass database in the world at your fingertips you can use selection methods to genetically improve your herd. By looking at an animal you can't correctly predict its yield or quality grade but you can improve and control through the use of expected progeny differences (EPDs).

Using the American Angus Association Sire Evaluation Report as a tool in mating selections you can work to improve hot carcass weight, marbling, ribeye area, fat thickness and percent retail product. You may not be a strong believer in EPDs, but don't ignore the information available; at least use it as a check and measure.

Collecting carcass data on your cattle is a true measure of end-product merit. Registered Angus breeders and commercial Angus producers can cooperate with the American Angus Association and the Certified Angus Beef (CAB) Program to collect carcass data, for a minimal fee.

Seedstock producers interested in collecting carcass data on their sires can contact the CAB Program's supply development division, who can help get you started. You too can work with commercial producers like Jones and Hamilton to receive carcass data.

Breeders who would like to retain ownership on five or more Angus-sired steers in a commercial feedlot can enter CAB Program's Value Discovery Program (VDP).

Phil Lalich, CAB Program's supply development assistant, says the purpose of VDP is two-fold.

"It allows producers to experiment with the commercial cattle feeding industry and allows them the opportunity to collect carcass data to determine the value of their cattle," he says.

## New Alliances Promote Angus Genetics

Alliance — each individual bringing something to the table that will benefit all. Many types of alliances exist — from cattle producers partnering on a bull to test his progeny, to working with a feedlot and packing plant to collect performance and carcass data.

John Hatton, feedlot manager, Hugoton, Kan., says the development of alliances



**THE COMMERCIAL FEEDLOT OPTION.** The owner of this calf at Darr Feeders, Cozad, Neb., will receive performance records to evaluate. As producers require data collection from conception to consumption, they'll develop more insight in their herd's genetic ability.

has tremendous importance. They stress the different facets of the beef industry and target different consumer markets—some are for leaner beef and others are based on grading and carcass merit.

“Most importantly, through these alliances you learn what producers need to steadily improve to develop a top quality, consistent, palatable product,” Hatton says.

As the beef industry moves towards value-based marketing more of these alliances will form. Several already in existence strongly promote the use of Angus genetics.

### Endless Opportunities

As a beef producer you do have several choices to make. Breeding and marketing are two of the biggest decisions that affect the bottomline.

Just like the differences between the Hamilton's and Jones' operations, each of you have to find what marketing and breeding decision will fit your resources best.

If you have the resources available on your ranch, like the Jones Family, to finish your cattle, then maybe that's the road you need to take. Utilizing your crop production could be an economical alternative.

When considering this option remember you must also have the facilities to feed out cattle and equipment to process feed.

If your operation is more like the Hamilton Family's, then sending your cattle to a commercial feedlot might be the option for you. Without crop production on your farm, it's probably more economical to send your cattle to feedstuffs.

Following the advice of Gerry Kuhl, Extension feedlot specialist, on page 136 of this report, you can find a feedlot with a program that can maximize your cattle's performance.

If you don't have the numbers to send a load to the feedlot you can work with other producers in your area to fit the quota. MFA Inc. Alliance Advantage is an example of this

type of program.

Missouri Producers participating in MFA's program commit to marketing a minimum 10 head of steers or heifers per year and follow MFA's animal health and nutritional recommendations. If producers wish to sell their cattle, MFA will coordinate the selling and placement of cattle into commercial feedlots by the potload which will maximize profits. MFA will also coordinate the placement of retained-ownership cattle and collect and assimilate carcass data for the producer.

Many other feedouts and alliances have been developed like MFA's. See the list of state sponsored carcass data collection programs on page 63.

Maybe you're not convinced retained ownership is the road

to take and you want to continue selling cattle at the auction market after weaning. If you decide to take this road why not request performance data from the feeder or buyer? Although this will be extra work, they'll benefit in the end with improved genetic selection.

Auction markets do offer more competitive bidding that entices producers to sell at that level. One way auction markets can work to help producers improve is by developing a cattle ID tracking system. Offering this service will improve the communication link between producers and buyers.

As seedstock producers you can facilitate data collection. One way you can do this is by inviting your commercial bull

buyers to consign their calves to a "herd sponsored sale." Offering this niche sales opportunity will improve your bull sales, and by working with feeders who purchase the cattle, can improve data collection.

The bottomline is you must evaluate your production costs and determine the focus of your herd. After setting your goals, find a marketing program that will maximize performance and increase profits. As Dave Hamilton says, target your cattle to markets they will excel in, whether it is quality or leanness driven.

The options are endless. No matter which road you decide to take, be committed and don't give up after one bad year—success comes to those who wait.