

Sourcing the Right Kind

Under a crusty old cattle buyer's cap are some proven ways to drive supply for the brand.

Story & photos by **Steve Suther**



The *Certified Angus Beef*® (CAB®) brand was a new concept in western Nebraska when Don Vannatta began buying fed cattle on commission for National Beef Packing Co. in 1984. National had just become licensed to identify and sell CAB products. The Hay Springs, Neb., commission buyer had 16 years of experience before signing on with National. But nobody had experience buying Angus cattle from feedlots that would qualify for the brand.

There was a huge variation in beef quality on the show lists, Vannatta says. "Feedlots had to sell them all." They spread unknown black-hided cattle through all their pens or linked the sale of Angus pens to plainer cattle.

"It only took packers a couple of weeks to figure out if we have to take them all, we'll just have to take them all at a lower price," he says. "That's where inconsistency and market

games hurt producers, and it was going to take a long time to recover." Vannatta saw a way to help.

"About 15 years ago, National's head of procurement said I was going to have to know the genetics behind the Angus cattle so [National could] buy the CAB kind," he recalls, scratching the back of his graying crew cut. "I lay awake for a few nights wondering how I was going to do that."



Finding a source

He had bought many Angus feeder calves on orders for Kansas wheat pasture, and the Montana calves always got the best reviews. "I began calling a few people I knew up there; they named some great ranches, but they always came back to a group called 'The Performance Breeders.' So I checked them out."

At the time, there were four seedstock producers under The Performance Breeders

umbrella: Hinman Angus, Rollin' Rock, PAPA Ranch and Cedar Hills Angus Ranch, the latter two having since dispersed. At their 1989 sale, Vannatta bought five bulls on order for family and friends. The next year it was 17 head, then 38, growing every year, especially when the replacement heifers came online. In recent years, Vannatta has purchased up to 150 bulls on order for dozens of customers.

As he was beginning to know the genetics, he kept pulling cattle through the pipeline. He bought more and more known-sire progeny on orders, six months later buying the more predictable finished cattle for National. A few feedlots stood out as cooperators in Vannatta's network, including Gene Novak, Ord, Neb.; Valley Feedyard, Bayard, Neb.; and Darnall Feedlot, Harrisburg, Neb., licensed by Certified Angus Beef LLC (CAB) since 1999.

Gary Darnall, who also operates Darnall Ranches with his son, Lane, says Vannatta has been an important link with Performance Breeders' customers. "We have retained ownership connections with a lot of Angus ranches, but Don is in a unique position as the one who buys calves from at least 15 ranchers using Performance Breeders' bulls," Darnall says.

Dave and Yvonne Hinman, Malta, Mont., are partners with Bill and Jennifer Davis of Rollin' Rock, Sidney, Mont., in Performance Breeders. They have worked with Darnall and Vannatta for 15 years.

"It's been rewarding for us, having customers who feed at a CAB-licensed feedlot and getting data back on their calves," Yvonne says. "More producers are working toward that end all the time, so they can earn premiums and use information to improve the bottom line."

"We've had a lot of customer cattle come down to the Nebraska feedlots," Dave says, "many of them at Gary's and many of those through Don's efforts." The Hinmans have used ultrasound carcass evaluation since it was a pilot program, but Dave says he appreciates the opportunity to see Performance Breeders genetics at work throughout the industry.

"We have learned so much," he continues. "Bill [Davis] and I have been down with Don to see the cow herds, then see the progeny from those cows in the feedlots and follow them along to harvest. It gives us a lot of insight, a real learning experience that we've been able to pass along to our customers."

► **Above:** "About 15 years ago, National's head of procurement said I was going to have to know the genetics behind the Angus cattle so [National could] buy the CAB kind," packer buyer Don Vannatta recalls. He found a solution in helping customers buy the seedstock to raise calves of known genetics.

The experience has helped guide their bull selection decisions, he says. "It's like a big circle."

Lessons learned

Everybody in the circle got an education.

"I learned it isn't the bull that makes the calf," Vannatta says. "Three-fourths of the power comes from the female. So, if you use that good bull on a cow, and then the heifer comes back into the herd and you get like quality genetics on her, then you've got it clicking. That's what we have done over the years."

"Where people have bought sire groups of bulls, it helps us to better guide them," Dave adds. "We are a generation ahead, knowing which sires work back on which groups of females. We go to the cow herd first, make sure we have some females coming back, then incorporate feedlot gain, and then on to the carcass traits. You always start with the cow herd."

Darnall has also seen the results and even purchased some breeding heifers from network cooperator Sipp Cattle Co., Rushville, Neb., which maintains a Choice percentage greater than 95% on all steers fed for the past three years. Jerry Peters and his son, Matt, manage the 500-cow commercial Angus ranch and also background many of the calves brother-in-law Vannatta buys for S&V (Shand & Vannatta) Cattle Co. Two potloads of the steers made the trip to Darnall Feedlot in late December.

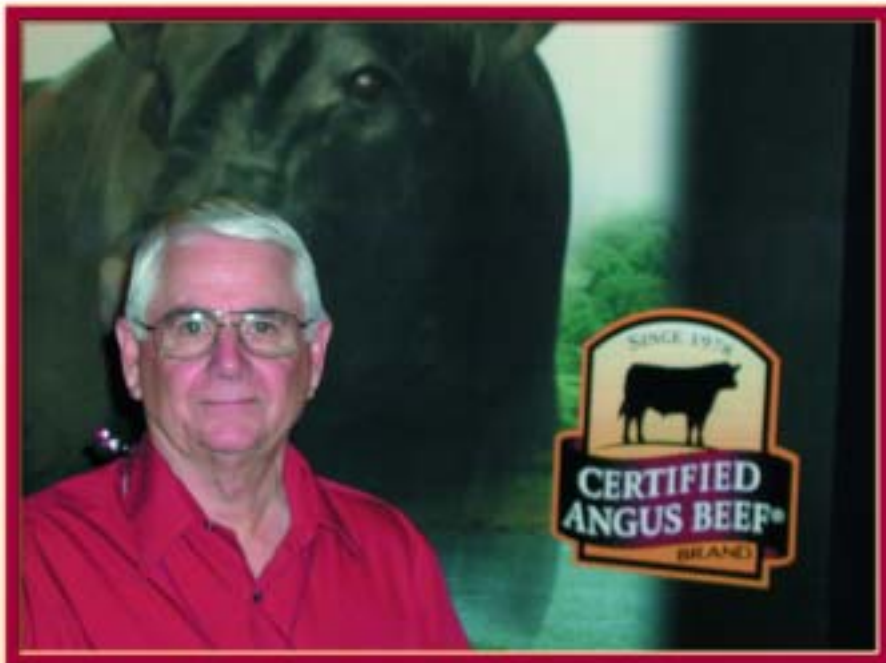
"They have a super cow herd and just do a lot of things right," Darnall says of Peters. Jerry's brother Wayne, of nearby AP Cattle Co., fed a pen of 51% CAB steers at Darnall's last year.

Obviously, this is an area where Vannatta's business network intersects family. Up the road toward Hay Springs, Peters' cousin Gerald Letcher has fed 426 calves with Darnall since 1999, posting a 43.4% CAB-acceptance rate overall. Another potload or two were scheduled to make the trip to the feedlot in late January, after running on cornstalks and alfalfa with extra hay and 2 pounds (lb.) of cracked corn per day.

Letcher's cattle are among the most uniform fed at Darnall's, with less than 1% Yield Grade (YG) 4s or 5s since 1999, and they continue to improve. One group of 91 heifers made 75% CAB, "and those were the culls," Letcher says. "I owe a lot to Don and the guys in Montana," he says of his progress from unknown blacks to premium Angus.

S&V Cattle Co. fed 1,240 steers at Darnall's during those five years, maintaining greater than 30% CAB acceptance. These have been Performance Breeders' "buy-back" progeny, with data returned to the original owners and seedstock supplier. However, much has been group data, and there have been a few more

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► **Above:** While everybody wants uniformity from start to finish, Darnall says he's convinced he can add value to all high-quality cattle by sorting to outcome.



► **Left:** During a five-year period, S&V Cattle Co. fed 1,240 steers at Darnall Feedlots, maintaining greater than 30% CAB acceptance.



► Jerry Peters (left) and his son manage a 500-cow commercial Angus ranch and background many of the calves brother-in-law Don Vannatta (right) buys for S&V Cattle Co.

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YG 4s. Vannatta has taken the program a giant step forward with individual tag transfer data this time around.

He bought 866 calves from 18 producers from Montana to Nebraska, and he worked them with the Peters crew, catching individual weights and cross-referencing original tags with new, color-coded sequential ear tags. After backgrounding, 334 went to Darnall Feedlot. "Nobody's done anything like that for them before," Vannatta says. "It's a lot of work, but we will get better cattle."

Though most of the 67,000 finished cattle Vannatta bought for National in 2002 were cash sales, these S&V cattle will sell on the grid. All those years of experience buying and selling "from womb to tomb," as Vannatta puts it, will be put to the test on the grid this spring. The February and March calves should be ready for harvest by April or May, he figures.

Good results

Performance and efficiency on the ranch have been impressive, Vannatta says. Some

of the better heifers weigh 950 lb. and wean 550-lb. calves. "A lot of our front-pen calves are out of heifers because they have the most powerful genetics," he says. The S&V cattle have maintained a 3.35-lb. average daily gain (ADG) throughout five years at Darnall's.

With the stacked pedigrees of predictable Angus, Vannatta doesn't worry about reaching much above average for any one trait when he color-code marks the bulls his customers can use in the Performance Breeders bull sale. He starts a week ahead of the sale, translating data and visual research into green, yellow, blue or red marks for each bull. "On sale day, when they're selling one every 30 seconds, all I have to do is glance at my book," he says.

"I look for the kind of cattle that will make good mothers that breed back every year, maintain themselves in our environment on grass, with good dispositions," he says. "I need to hold them to 1,200 pounds mature size."

Vannatta says he wants good-milking cows, but doesn't want big udders or poor

teats. "I need performance on feed and quality grade, Choice first and then CAB. The EPDs (expected progeny differences) have to be backed by honesty, and that's why I stay with the Performance Breeders; they're accurate."

Vannatta talks about "the carcass end" of ranching with his customers, pointing out that quality grade premiums far outpace those for yield grade on most grids. Yet, the Performance Breeders don't make a point of specializing in any kind of "carcass" bulls.

Dave describes the seedstock supplier's approach as balanced. Reminding breeders that genetics begin with the cow, he says carcass traits should be positive overall, but only when all other production trait requirements are met. Still, progress in the Angus breed, especially through ultrasound in recent years, now allows a great deal of simultaneous progress toward the balanced ideal.

"As we select and see those higher percent IMF (intramuscular fat) bulls build our herd, we are seeing some results, adding to the levels of marbling where we want to be," he says.

Some long-time customers, like Letcher and Peters, have seen the same kind of results. Others are still building consistency. Vannatta sometimes finds himself at odds with Darnall on the issue of sorting finished pens. The cattle buyer, a lifetime specialist in the cash trade, can't shake the notion that his initial sort is good enough, and anything subsequent takes away from seeing how the cattle grade.

While everybody wants uniformity from start to finish, Darnall says he's convinced he can add value to all high-quality cattle by sorting to outcome. "It's nothing to apologize for if you sort to get more profit," he says.

"We're in the feedlot business, so we're going to maximize the value, and that will mean sorting," Darnall says. "If we're going to do justice to those genetics, we're going to sort. They may be off the same ranch and brand, but as we feed them, the 45- to 60-day age differences stretch out, especially in calf feds. When you do know more about the cattle, every additional improvement on the final sort is gravy."

As Vannatta and his wife, Mary, develop their own ranch and herd of registered and commercial Angus cows near Hay Springs, they have the same commitment as all other nodes in this producer network — keep learning from the information that the system returns.



PHOTO COURTESY OF DAVE AND YVONNE HINMAN

► **Above:** Seedstock producer Dave Hinman reminds breeders that genetics begin with the cow. Carcass traits should be positive overall, but only when all other production trait requirements are met.

► **Right:** Gerald Letcher has fed 426 calves with Darnall since 1999, posting an overall CAB-acceptance rate of 43.4%. Letcher's cattle are among the most uniform fed at Darnall's, with less than 1% YG 4s or 5s since 1999. One group of 91 heifers made 75% CAB.

