

**R**atcliff Ranch was a 10,000-head stocker operation with a 180-cow registered Angus herd as a separate enterprise in 1999 when owner Jim Ratcliff began to wonder if the 32,000-acre ranch (owned and leased) was keeping up with the pace of change. Sometimes the stocker business seemed as unpredictable as roulette.

Ratcliff had swapped and traded his way up from an 80-acre tract south of Vinita, Okla., partnering with his father in the 1950s before trying his luck on an oil crew in Kansas. That led to an oil company partnership, a soft drink franchise, a bank ownership, a stocker cattle enterprise and the registered Angus business in the 1980s.

"We have run a lot of steers over the years," Ratcliff says. "Of course they were all unknown cattle; that's all there was — Southeastern calves from Mississippi, Alabama and Tennessee, mostly. We purchased them in the fall and winter, brought them up here to settle in, then to bluestem grass and sales in July and August. But it got harder and harder to make a dollar, just because of unknown origin."

By 1999, Ratcliff was 66 years old with no intention of retiring, but he sure didn't want to waste time or labor. He was committed to building a future, and had just ordered construction of a processing barn, designed by Colorado State University (CSU) animal-handling specialist Temple Grandin, on his Blackwell Ranch, southeast of Centralia, Okla. His Big Creek Ranch, with its 8,700 acres located 20 miles to the west, offered potential for more cows.

Ratcliff felt the winds of change and knew he wanted a young manager to ride with him, someone who could see the big picture and adjust as it changed. His son, Jimmy, was established as an officer in the family's banking businesses in Vinita, but both generations had a prospect in mind.

### **New management**

Billy Hall was 28, married, and had bought his land and cattle six years earlier, when he graduated from Northeastern Oklahoma A&M (NEO) in Miami. "If you're going to make it and pay your bills, you're going to learn quick," he says. Hall had been a National Junior Angus Association (NJAA) member before that and was running commercial Angus cows on his place. But he was most known for expert clipping, fitting and showing with the Limousin breed, which had just named him Herdsman of the Year.

"That was great," he says, "but my main

# Winds of Change

**Oklahoma ranch shifts from commodity to quality Angus ideals, bringing its customers along for the ride.**

*Story & photos by Steve Suther*

interest was always Angus." The connection came from his neighbor and mentor Jimmy Linthicum, long a pillar of the Limousin breed. "He was four miles up the road and like a dad to me," Hall says. "I helped Jimmy for 10 years, clipping bulls, club calves, what have you — anything to keep up."

Custom fitting was a sideline, like his earlier experiences "helping out" on large ranches in Missouri and Oklahoma. Hall clipped cattle his first year at NEO in 1990 with classmate John Rule, who would later procure cattle for the Irsik & Doll feedlots in Kansas. The wider experience taught Hall more than postgraduate education could — and Ratcliff and others noticed him.

"When Jim first talked to me about changes he wanted to make here, I sure wasn't looking for a job," Hall says. "I had never had a real job." But the sideline was getting to be like a job in some ways. "Kim

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► "We're building something that's going to stay," says Oklahoma cattleman Jim Ratcliff.



► When Billy Hall began managing Ratcliff Angus Ranch, he says it was hard to know where to start his day. He soon developed and implemented a plan to integrate all of the ranch's cattle enterprises.



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**— Billy Hall**

and I had a 2-year-old daughter, and I was off to Idaho and Montana for a couple of weeks of clipping, so I got to thinking about it.

“Did I want the responsibility? I wondered how many people would want to get into management at Ratcliff Ranch because of all the volume,” Hall recalls. “And nothing was tied together, so it was hard to prioritize your time among the purebred cows, flush cows, recipient cows, commercial cows and other cattle. The cows were spring- and fall-calving, and everything was spread across 20 miles of country. Could I make that work?”

Yes, he could, considering the changes Ratcliff had in mind. “We talked for a couple of months, and I decided to come on,” Hall

says. He hired someone else to look after his own cows, but still calls the shots. It is like a smaller version of Ratcliff’s arrangement with him.

“At first it was hard for me to decide where to go in the morning,” Hall says. But he soon developed and implemented a plan leading to complete integration of all cattle enterprises. “We separated all the spring-calving commercial cows on one ranch and used another for developing bulls and recipient cows. Another place has tame [cool-season, non-native grass] pasture for the fall program.”

With the commodity stocker cattle, “Jim used to make \$100 to \$150 per head and go on down the road. It was good business,” Hall says. “But the separation between those

and the good cattle has become so great, the only time the gap narrows is when there’s extra demand for all beef. It’s hard to plan on it, and with the other factors — fats, corn, futures, psychology — a guy just doesn’t know.”

### Sound risk management

Ratcliff Angus Ranch, as the business is now known, sent some steers to the Certified Angus Beef LLC (CAB)-licensed Darr Feedlot, Cozad, Neb., in hopes of adding to their knowledge of ranch-raised calves. “I have always been a cow-calf guy, big on efficiency, cow ratios and the like,” Hall says. “On the Southeastern stockers, it was always, ‘where are they going to trade?’ But now we’re

feeding our Angus steers to gather data, and the more we do, the more it helps me make decisions.”

Higher quality is sound risk management. “We see it evolving,” Ratcliff says. “We’re not just advocating something for our customers, we are proving it to ourselves. What we can raise and do with our own genetics is paying off handsomely.” With steers gaining 4.4 pounds (lb.) per day with cost of gain near 40¢, and achieving upper 80% Choice grade and upper 30% *Certified Angus Beef*® (CAB®) brand acceptance, Ratcliff says, “we can make more money than with those unknown stockers.”

They still feed with Darr, but in the last two years Hall has opened a customer service link with Irsik & Doll, which operates five CAB-licensed yards from Cimarron, Kan., to Scott City, Kan. Hall’s NEO friend Rule was on staff with Irsik & Doll at the time.

Now based in Newalla, Okla., Rule is a partner in the custom procurement company Ranchers Integrated Genetics LLC and still sends a lot of cattle to Irsik & Doll. He consults with many of Ratcliff’s bull customers, seven of whom sent calves to Irsik & Doll over the last two years.

One of those is Randy Irwin, Oswego, Kan., who has been buying bulls from the ranch since 1997 and feeding progeny at the Irsik & Doll Feedyard in Garden City, Kan., since 2001. “That’s where I sent my first retained ownership calves,” Irwin says. “The [fall calves] went in in June and out in November.”

In late 2001, Irsik & Doll Feedyard manager Mark Sebranek reported the calves were, as Irwin recalls, “flat crankin’,” and he sent out a CD of pictures and data. Irwin was “amazed to see the depth on them,” and he showed the pictures to a few friends who began to talk about driving out with Irwin to see this year’s calves on feed. Hall agrees Sebranek has a way of putting customers at ease, noting, “when you have thousands of dollars on the line, that helps.”

The end of last year’s heifers, culled after a 45-day breeding period, gained 4.2 lb. per day and graded 89% Choice or better, including a greater than 30% CAB brand acceptance rate. That helped them bring \$200 per head more profit than other marketing options as cull heifers, Irwin says.

“It hasn’t always been Angus,” Irwin says, noting the region was once known for Limousin-influence. “But I’m getting rid of



▶ “We’re not just advocating something for our customers, we are proving it to ourselves. What we can raise and do with our own genetics is paying off handsomely,” says Jim Ratcliff (right), shown above with Billy Hall.

all the others. I love the Angus, and I believe the really good, quality meat is always going to sell at a premium. CAB pretty much speaks for itself. I talk to a lot of people who don't know anything about cattle, but they can taste the difference. Even when we went to Cancun last year, we found CAB at a steak house and, oh, it was good."

The first two years of group data convinced Irwin to capture individual carcass data on the next set of calves, to more effectively prune his 450-female commercial herd. "I am trying to buy the best bulls I can afford," he explains. "Ratcliff is a reputable, futuristic seedstock producer, and they work closely with me."

Having bought the two high-selling bulls at Ratcliff's sale last September, Irwin says, "I had to question at what point does it get to be too much. But I, too, have a reputation — the steers I sell on the video top the market. And now that I'm feeding at Irsik & Doll, I want to produce the best cattle I can."

Irwin keeps most of his heifers, synchronizing and time-breeding with artificial insemination (AI). "Then we'll turn out our real high carcass and growth bulls, each on 50 head or more."

Cattle can be AI'd to the same bull used for "clean-up" in Irwin's program, because having semen collected is the first step in making large bull investments pay, he says. "I will have some of this semen in storage for a long time, but that will help me build consistency, and that's what I have to do to justify getting these top-quality bulls." The fact that 35% of Irwin's cows are fall-calving also helps spread bull investment.

## Networking

Hall gets inquiries about semen availability on top sale bulls and passes those along to Irwin, which helps build the relationship. Networking also helps Irwin market "used" bulls for substantial premiums above the typical floor price. "Ratcliff's reputation helps me, and I hope mine helps them," he says.

Networking flourishes more with a focus on high-quality, known genetics than with commodity cattle, Hall says. That's another reason he sees a sunset for the stocker phase at Ratcliff Angus Ranch.

"We're running about half as many commodity calves out of the Southeast this year, compared to last year. We've just been putting good Angus cows on the place. I'd say in two years we won't buy any of those calves." Some may be replaced by calves

bought from customers like Irwin. "I would pay him steer-plus price for heifers," Hall says, "but he's holding onto them. Maybe that will change, or maybe he will feed some of them, but for now he is building his herd." They are also trying some loads of higher-quality Angus calves from Nebraska.

## Building the herd

The ranch used to feed many of the commodity stockers, but last summer Ratcliff agreed with Hall to curtail that practice. "With the drought problems to the northwest, a number of really good programs had to sell some very good Angus cows," Hall explains. "It was either keep playing the commodity game — tie the cattle up, pay the interest, don't know what's going to happen — or take the cash and go for the cows. We cashed them in live off grass and restocked with more commercial cows as we sold the stockers."

They bought 600 cows last summer, many selected for the replacement-quality heifers by their sides. Most of those cows came from two herds in Kansas and South Dakota, with 10- to 15-year records of AI to balanced-trait Angus sires and detailed data showing up to 90% Choice grades.

"Sure, we had to pay a premium, but they were worth it," Hall says. "We didn't see a future in buying the lower-priced cows only to produce our own commodity calves." The cows will join a herd of nearly 2,000 commercial Angus cows while the heifers fit into a pool of 1,200 scheduled for AI this spring. Cow numbers may reach 3,000 head in a few years, Hall says, and many of those are synchronized and AIed, too.

The core, purebred herd of registered Angus cows will probably not go above 200 head, but embryo transfer (ET) will leverage the genetics as they are honed by customer feedback and custom feeding at the CAB feedlots in Kansas and Nebraska. "This year we expect a 50% increase in bulls produced via ET, and 450-500 calves could be registered," Hall says. "But I'm every bit as hard on the ET calves as any others."

Ratcliff loves what he sees when he looks

at the results Hall has wrought in less than three years. "He thinks like I do," Ratcliff says. "He's just as much of a gambler as I am, but he knows when to stop. I just would not even consider doing what we are without Billy. He's reaching out to different avenues to keep our customers happy, always putting together some new things."

One "Hall-mark" is the focus on information after the sale. "When we sell bulls, the buyer knows we will help him get data back. If he feeds at Irsik & Doll, or even sells calves in the country, we will go to the end of the earth to try to get data," Hall says, knowing he can count on Rute's help. "If it can be done, we will do it."

Well, if there's a dollar in it anyway. "If everybody in the beef industry will do the right thing and keep this kind of information flowing, there'll be money to go around," Ratcliff says.

"We have more than scratched the surface already, but there will be more people involved because this area is a natural for high-quality cattle. As more producers

switch to cows, half of the calves will be the kind of steers you can count on as stockers and feeders," he says. "We can be the glue that holds a network together as more people change from commodity to high-quality cattle."

What drives Ratcliff, who is now 70 years old? "We're building something that's going to stay. My son is running the bank, and Billy's running the cow operation, and that's the way it's going to be, even after I'm gone. They are building the base that will last as long as anybody can make a dollar in this business."

And Hall? He's getting what he wants: an internal commercial cow herd and external network of cooperating commercial customers to help prove the value in Ratcliff Angus Ranch genetics at all levels. "One of my goals is to be sky high in CAB acceptance in our commercial programs," he says. "But there's a fine point, and that's balance. We'll stay away from extremes, and move ahead based on proven success from genetics to end product."

