

# Cooperation Helps Hit the Target

A 6,500-head feedlot, built with the intent of getting data back to co-op members, assists carcass-minded seedstock supplier and commercial customers.

Story & photos by **Raylene Nickel**

**S**teve Brooks has worked hard to improve the carcass quality of his cattle, and it's paying off. Last year his steers were among the top 10 Best of the Breed (BoB) pens fed in Certified Angus Beef LLC (CAB) feedlots. Of the 82 steers, 66% graded *Certified Angus Beef*® (CAB®), including Prime. As a result, premiums tallied \$83 per head over the market price, earning \$100-\$120 more per head than feedlot contemporaries with carcasses of lesser quality.

Proven performance like that helps those who buy breeding stock from the 500-cow purebred Angus herd at Brooks' Chalky Butte Ranch near Bowman, N.D. Using Brooks' data, customers can select bulls and heifers that will increase the carcass value of their own cattle. That has become increasingly important since Dakota Prairie Beef, near Scranton, opened in 2000. The cooperatively owned, CAB-licensed feedyard provides custom-feeding services to Brooks and other member ranchers.

Chalky Butte customers can trace cattle

performance data back many years because of the ranch's history in tracking carcass data. Brooks' father started the tradition in 1968 when — by special arrangement — he was able to gather individual carcass data on backgrounded cattle sold to an out-of-state feedlot.

Steve Brooks picked up the tradition in 1985 when CAB helped make progeny carcass testing more available. Every year

since then, carcass data has been recorded on progeny from the Brooks herd.

"In the late 1980s, we started selecting sires that were in the top 20% to 50% of the breed for marbling and ribeye," Brooks says. "We've been working at improving carcass quality for a long time."

Beyond increasing the value of his commercial cattle, progeny carcass testing pays off through growing demand for breeding stock from the Chalky Butte Ranch.

"Early in the 1990s people from [out of state] heard about our carcass data and began buying bulls from us," Brooks says.

## Returning data on animals

Interest caught on locally when Dakota Prairie Beef started custom-feeding members' cattle three years ago in its new facilities, just a few miles down the road from Brooks' ranch. That brought new opportunities to a state where the feedlot



PHOTO BY STEVE SUTHER

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industry is relatively undeveloped, which in turn fostered a heightened awareness of feeding issues, such as carcass quality.

"The Dakota Prairie Beef feedlot has created more local interest in our breeding program," says Brooks, a founding member who has fed cattle at the lot since it opened.

"The feedlot has certainly made people much more aware of carcass quality," he continues. "Because we share our closeouts with other members, they can see that their cost of gain is the same as ours, but their steers' carcasses often aren't as valuable. We have quite a few bull customers who custom-feed at Dakota Prairie Beef, and it makes them more aware of carcass quality. As a result, they're interested in looking at our carcass and ultrasound data when they buy bulls."

Indeed, the 6,500-head feedlot was built with the intent of getting data back to co-op members, says manager Mark Vachal. "That's the way the industry is moving," he notes. "Producers raising the cattle need to know which ones are making them money and which ones are not."

The feedyard uses an electronic



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identification (ID) system to track each animal. The feedlot also scans livestock by ultrasound to better market them at their appropriate weight and condition.

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### Advantages of a local feedlot

This concept was developed seven years ago when a handful of producers from western North Dakota began discussing the possibility. They formed a steering committee and staged community meetings in the Dakotas and Montana, aiming to raise enough equity to build a new feeding facility on purchased land.

Two types of shares were offered to producers:

- ▶ A “B” share, at \$60, included bunk space

each year for one spring-born calf delivered to the feedlot between Oct. 1 and March 30.

- ▶ A “C” share, at \$55, bought bunk space each year for one yearling delivered to the feedlot between April 1 and Sept. 30.

“We offered 6,500 calf shares and sold all of those,” Vachal says. “We offered the same amount of yearling shares and sold 2,400 of those. So yearling shares continue to be available, as well as some calf shares from individuals who have decided to sell theirs.” Sales of preferred stock to local businesses also contributed to the final capital pool, which amounted to more than \$500,000.

This sum provided equity for a start-up loan of \$900,000 from Farm Credit Services (FCS). Local businesses helped initial funding by providing smaller loans to the cooperative, Vachal says. The 145 members from North and South Dakota and Montana who purchased feeding shares sent their first cattle to be fed in the summer of 2000.

Members pay for the feeding services they receive at the yard just as they would at any other custom feedlot. Twice a month members who have cattle on feed receive an invoice charging for the amount of feed their cattle have consumed in two weeks. They’re also charged a yardage fee of 25¢ per head per day to cover facilities, equipment, labor and utilities.

Brooks bought a membership long before the feedlot was built because he could see the advantages of having access to a local custom feedlot.

“We had been feeding our cattle in Kansas and Nebraska since the early 1980s,” he says. “After we loaded the cattle on the truck to go to the feedlot, it was difficult to get a chance to see them again. It was just too far away.”

Because of the distance, Brooks felt a loss of control over his own cattle.

Feeding steers at Dakota Prairie Beef has allowed Brooks more involvement in their management, he says. For example, working with Vachal led to the implementation of a less aggressive implant program that permits Brooks’ cattle to better express their genetic potential for marbling.

### Carcass data is invaluable

Having access to a local custom feedlot is important for Amidon, N.D., rancher Wayne Gerbig, who buys bulls from the Brooks herd. He, too, used to feed in custom lots in Kansas or Nebraska but found that the distance was a management hindrance.

“As a member-feeder at Dakota Prairie Beef, I can visit the lot whenever I want and talk to the manager whenever I want,” he says. “Because the feedlot is nearby I can be involved in the whole process, including marketing.”

Brooks’ longtime collection of carcass data and other information is an invaluable tool in helping Gerbig improve the carcass quality of his own cattle. “Steve ultrasounds bulls before the sale and converts the information into carcass EPDs,” Gerbig says. “That gives bull customers like me a reading of how the bulls might improve the carcass quality of our cattle.”

The potential benefits lie in consistently hitting the CAB target for carcass quality and in earning the accompanying price benefits, Gerbig notes. Recent performance data show that his herd is well on its way to achieving that target. His most recent pen of 90 steers graded 98% Choice, with 64% qualifying as CAB, including 26% as Prime, and earned a \$50 per head premium.

As a member of Dakota Prairie Beef, Gerbig counts on individualized carcass data for his own cattle. Besides helping him improve the carcass value of his commercial cattle, the data lets him command premiums for the registered Angus replacement heifers he sells as a guest consignor at the Chalky Butte Ranch production sales each April.

Gerbig also ultrasounds heifers — for the sale and for his own replacement prospects — to broaden the information base he and his customers can use to guide selection.

“We want to fine-tune our ability to provide cattle with higher carcass quality,” he says.

The achievement of that goal, which he certainly shares with Brooks, will likely improve the carcass quality of a number of herds throughout the Dakotas and Montana. In turn, that’s bound to bring larger paychecks to a number of producers who feed cattle at the Dakota Prairie Beef feedlot.



▶ “Producers raising the cattle need to know which ones are making them money and which ones are not,” says Mark Vachal, manager of the Dakota Prairie Beef feedlot.



▶ Shares in the Dakota Prairie Beef feedlot are allocated by bunk space during specified times of the year.