

# A Profit-Focused Message

Three seminars supplied South Dakota producers with tools to hit the CAB target and increase profits.

Story & photos by Lance Zimmerman

South Dakota producers found new ways to increase profits during the Certified Angus Beef LLC (CAB) “Black Ink Basics” seminars June 14-16. The meetings in Mitchell, Aberdeen and Faith, S.D., provided insight on quality beef production.

The seminar series was designed to help producers explore new ways to add value on the ranch. Larry Corah, CAB vice president, illustrated why the *Certified Angus Beef*® (CAB®) brand is built on Angus carcass quality.

“The consumer values beef’s taste,” Corah said. “That is why they are willing to pay more than \$10 for a 12-ounce serving of beef and only \$2 for the same [size] serving of chicken.”

With high cattle prices, increased market volatility and premiums awarded on carcass merit, he said producers need to focus more on quality.

“There are opportunities for producers with high-quality cattle,” Corah said. “Earning a premium for what you produce was unheard of 10 years ago. Today, packers are paying producers more than \$50 million a year in premiums for cattle that hit the CAB target.”

While markets dictate profits, Corah said producers could increase premiums by improving herd genetics. Selecting the right sires and adding value to genetics throughout production are important steps.

## Adding value

Corah noted that high prices and the genetic and management tools offered by the

American Angus Association make it an exciting time to aim for the CAB target.

The AngusSource<sup>SM</sup> tag and marketing program is one service that attendees learned more about. Sara Moyer, Association director of industry and member communication, said the program creates incentives for Angus-sired calves by separating them from other “blacks.”

“AngusSource helps producers record source, genetic, age and process information on the cattle they raise and communicate that information to buyers,” Moyer said. “At sale time, the added information helps producers receive higher profits for Angus-sired calves.”

State Extension specialists explained that management changes after calving could influence profits and carcass quality, regardless of calf maturity.

Iowa State University Extension specialist and Tri-County Steer Carcass Futurity (TCSCF) manager Darrell Busby recounted the effect of health programs on producers’ bottom lines.

Busby said treating for sick cattle postweaning affects average daily gain (ADG), feed efficiency and carcass traits. Sound management at weaning can help decrease illness and increase profits, he added.

TCSCF data also showed more money is available to producers who get information.

“Those who retain ownership for longer periods of time have developed more consistent calf crops,” Busby said. “Our data shows that producers who retained ownership the longest increased profits by eliminating the outliers.”

## Constant focus

Cody Wright and Trey Patterson, South Dakota State University Extension beef specialists, said quality should be the producer’s focus at all times — not just in the feedlot.

“Producers are finding



► CAB’s Larry Corah explains a profit tip.

that marbling develops in calves much earlier than we previously thought,” Wright said. “Castration, weaning and implanting times can affect feedlot performance as much as feedlot-processing decisions.”

Patterson encouraged producers to share their ideas with others; however, he cautioned, “What works for one producer might not work for his neighbor.

“Unfortunately, there isn’t a one-size-fits-all approach to management, but we know that poor decisions can influence marbling development,” Patterson said. “It comes down to trial and error and finding the most economical management practices for your ranch.”

Attendees received a CAB steak dinner and were able to participate in a question-and-answer session with a panel featuring area Angus producers known for their ability to raise cattle that meet CAB brand requirements.

Panelists shared production and management tips and answered questions from the audience. Management practices varied across the panel, but all agreed information is the key element in producing high-quality cattle.

Two past CAB Commercial Commitment to Excellence Award winners challenged producers to consider getting more postweaning information on their cattle.

“There are feedlots and packers that know a lot more about your cattle than you think they do,” said Mike Gebhart, Meadow, S.D. “It is dangerous when others know more about your cattle than you do. Unfortunately, many producers are in that situation.”

Owen Jones of Penhros Farm, Britton, S.D., took Gebhart’s comments a step further.

“You need to retain information on your calves if you want to stay in this business,” Jones said. “Everyone at this seminar should be retaining ownership on their calves. The information you can gain is invaluable, and it will determine your profits.”



► Corah (left) poses a question to producer panelists Ken Schaefer (center), Leola, and Owen Jones, Britton.

