

CAB Feedlot Partner of the Year > 15,000 head

# Operation: Angus Quality

Story & photos by **Steve Suther**



► General Manager Jerry Bohn oversees the 38,000-head-capacity Pratt Feeders LLC. The Pratt, Kan., feedyard was named the 2004 CAB Feedlot Partner of the Year for feedlots with greater than 15,000-head capacities.

**P**ratt Feeders LLC is the nexus for managing and marketing 220,000 cattle each year, but Jerry Bohn aims to overcome that challenge in his quest for quality. Size could even become an advantage.

As general manager, Bohn oversees the 38,000-head Pratt, Kan., feedlot. He also looks after three more, for an overall capacity of some 110,000 head. Those duties make it hard to step up to higher quality and start looking at one calf at a time to get the most value out of each.

If anyone can do it, this retired Army National Guard officer can. There is a precision in Bohn's chain of command, and even the cattle seem to perform as ordered. Because of efforts to add quality and keep efficiency, Pratt Feeders was named Certified Angus Beef LLC (CAB) 2004 Feedlot Partner of the Year (for lots with capacities of more than 15,000 head) Sept. 11 at the CAB annual conference in San Antonio, Texas.



► Bohn says one of the goals at Pratt Feeders is to help seedstock Angus producers identify bloodlines that can do it all and that have the best combination of traits.

Bohn once worked for a packer and for a smaller feedlot before a seven-year stint at Cattle-Fax. He left there as director of market analysis in 1982. That's when the five Anthony, Kan., families who own Pratt Feeders asked him to manage it. His contacts and marketing and risk-management skills helped the organization grow, along with Bohn's industry leadership at the state and national levels.

The Pratt yard expanded to its current capacity in 1989, when the company bought Ashland (Kan.) Feeders. Other opportunities followed — bigger was better, right? Maybe, but not in and of itself.

Excitement for an idea that would become U.S. Premium Beef (USPB) was running high in the area as Pratt bought Buffalo (Okla.) Feeders in 1995. "We were all looking at shrinking competition from packers, and wanted to sell better cattle for better-than-average prices," Bohn says. "It was also an opportunity to take a step toward vertical integration. It wasn't an easy decision, but luckily we bought shares, and it has been more successful than the founders ever dreamed."

By the time the company bought Hays (Kan.) Feeders LLC in 1999, excitement for the *Certified Angus Beef*® (CAB®) brand was high, focused on its new Feedlot-Licensing Program (FLP). Bohn saw it as a way to move closer to Angus producers, and he began licensing with Ashland, then Hays, and, finally, the Pratt yard in early 2003.

"When Pratt Feeders decided to expand their focus on Angus genetics and become licensed, it was a great benefit to our program," says Larry Corah, CAB vice president. "It offered a quality feedlot for Angus breeders and cow-calf producers to work with."

The four allied feedlots function on their own, but either Bohn or Pratt assistant manager David May visit the others at least weekly. The CAB award singled out the Pratt location, in part because of its huge volume

commitment — 20,000 cattle enrolled for data in a year.

“Since licensing, Jerry has taken the issue of collecting carcass data very seriously,” notes Paul Dykstra, CAB feedlot specialist. “Follow-through on this mass of cattle has been tremendous, given the amount of effort required to process so much data and keep up with all shipments, closeouts, performance and carcass data.

“The staff at Pratt Feeders is very professional, with the fastest response and communication level of any licensed feedlot,” Dykstra adds. “When Jerry Bohn and the staff at Pratt Feeders say that they are going to do something, you can bet that they will deliver.”

### Networking in action

One example came after Dykstra and Corah conducted a brainstorming session with the Pratt staff last fall. By December, Bohn had a battle plan.

He and Angus producer Kelly Giles formed Premium Beef Network (PBN) in Ashland, Kan., as a consulting and marketing arm of Pratt Feeders. Giles, a USPB board member, operates PBN mainly from his field office in Edmond, Okla. Its goal is nothing less than total consultation and sharing of information from consumer to cow herd manager.

“The network concept is based on information and mutual support,” Giles explains. It doesn’t have the formal structure of an alliance, yet aims to do more than most alliances. “We are taking a longer-term view that includes seedstock marketing within the network in a chain of trade relationships,” he says.

As bulls and heifers change hands, PBN helps track genetics and performance of related cattle. Giles looks for opportunities to tell bull buyers at Angus production sales, “We want a chance to feed the calves those bulls will sire, and get that information back to you.”

For Angus seedstock producers tuned into the CAB target in conjunction with production traits, he says, “My job is to support them in following up with their customers, partnering, buying, collecting and analyzing carcass data, and getting it back to their network.”

Using a “Net Value” approach, Giles recognizes short-term cash flow needs while focusing on ways to grow value for each ranch, from cattle to management, land and even reputation. “Feeding at least part of every calf crop adds value to replacement heifers, as one example,” he notes.

The PBN Web site ([www.premiumbeefnetwork.com](http://www.premiumbeefnetwork.com)) notes the “power from participating” in the network comes from converting consumer demand signals and carcass and feedlot data into “real-time management decisions.” Those involve grid targets and performance, genetics, feeder cattle procurement, risk management, animal health, seasonality of markets and business relationships.

As another part of Pratt’s pro-Angus effort, Bohn hosted a lunch for the Kansas Angus Association (KAA) Tour last year, and he sends a newsletter to 30 current or prospective Angus seedstock customers. One of those is KAA vice president Mike Molitor, Zenda, Kan.

Molitor and his cousin Greg feed up to 900 customer calves each year at Pratt Feeders in what Bohn calls “one of the best examples of seedstock networking.” The relationship predates PBN, obviously, but it could still benefit from some of the free services in data tracking.

“Between Greg and I, we have 700 shares of USPB stock,” Molitor says. “We used that



► Bohn and Angus producer Kelly Giles (at left) formed PBN as a consulting and marketing arm of Pratt Feeders. Its goal is total consultation and information sharing from consumer to cow herd manager.



► Zenda, Kan., cattleman Mike Molitor feeds out customer cattle at Pratt Feeders. While most still prefer to sell at weaning, they like to get the data he shares with them. “We are learning how to protect customer equity so they can feed if they want to,” he says.

as collateral and the basis for our Molitor Angus Beef LLC that began buying back customer calves several years ago.”

The project started as a way to buy more predictable cattle to meet USPB obligations, but it has paid off in many other ways. “We are learning how to protect customer equity so they can feed if they want to,” he says. Most of them prefer to sell at weaning, but they like getting the data Molitor shares.

Sometimes he samples calves from a prospective customer’s herd, gaining data on which bulls aren’t working in that herd and an opportunity to sell bulls that will. “A lot of

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PHOTO COURTESY OF MOLITOR ANGUS BEEF LLC

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our customers also trace data back to cull cow families,” Molitor says. “Five years from now we will have a lot better cattle to choose from.”

In a sense, Giles will apply that logic on a broader scale with PBN, so the feedlot will see “a lot better cattle” from all over within five years.

Pratt Feeders offers an extra attraction for the Molitors because it is located within a half-hour drive. That allows them to meet bull customers there during early mornings to see their calves and visit with packer buyers about prices and cattle finish.

“Jerry is willing to sort out of those pens, and you have to if you market on the grids,” Molitor says. “But we are also learning that we have to get our weights closer going in,

and keep track of things like implant use and timing.”

### Best of both worlds

Whether on the ranch or in the feedlot, some producers still think they must choose between performance and quality. Molitor, like Bohn, aims to keep the performance and add quality. “We’ll always use the highest-gaining bulls, but just in the last three years the highest carcass bulls have begun to bring premiums. So we’re adding more of that,” he says.

Pratt Feeders, Bohn says, is one of the most efficient feedlots. Average daily gain, feed conversion and cost of gain will be “among the best in the industry,” he says. “As we try to attract more high-quality Angus

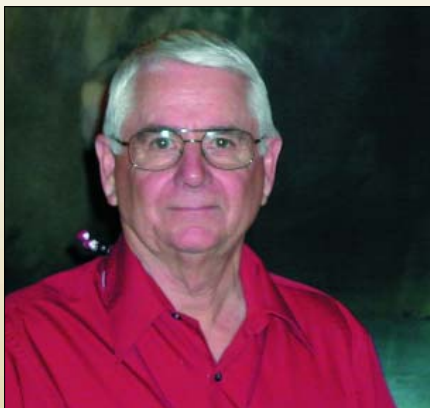
cattle, we are trying to have it both ways. One of our goals is to help seedstock Angus producers identify those bloodlines that can do it all, that have the best combination of traits.”

With so much volume of data on unknown Angus-influence cattle, quality grades during the discovery phase have not been above industry average, but disappointing numbers held a lesson. “We are finding out there are big differences in cattle that appear to be good, Angus cattle,” Bohn says. “Where we know the source (currently less than 15%), we keep track. As we go along and learn more, and our customers learn more, we believe we can attain above-average levels of CAB acceptance.”

# New Technology, Old-fashioned Service

Darnall named CAB 2004 Runner-up Feedlot Partner of the Year.

by *Jessica Halsey*



► “We try to keep abreast of new technology,” says Darnall Feedlot manager Gary Darnall. “It is important to us to be quicker, better and more accurate for our customers.”

**F**eeding cattle is a tough, competitive business. That’s why even the most solid feedlots keep looking for an edge. Darnall Feedlot, Harrisburg, Neb., and Certified Angus Beef LLC (CAB) have made a good match since the feedlot became licensed in early 1999.

The relationship reached a new level this summer, when Darnall Feedlot was named CAB 2004 Runner-up Feedlot Partner of the Year among yards with more than 15,000-head capacities. Manager Gary Darnall accepted the award Sept. 11 at the CAB annual conference in San Antonio, Texas.

“Darnall Feedlot has as good a reputation as anyone in the feeding business for managing lightweight calves from weaning

through the finishing period,” says Larry Corah, CAB vice president.

The Darnall family has had a long history of feeding cattle in northwest Nebraska. Darnall Ranch was homesteaded in 1897, and the feedlot was built in the late 1970s. “We started just feeding our own cattle,” Darnall says. “Then our neighbors wanted us to feed their cattle, and it just expanded from there.”

The 20,000-head capacity feedlot has found its edge with CAB. During the last 12 months, Darnall Feedlot has posted one of the highest acceptance rates among all CAB partner feedlots, at 23.4% on 3,888 carcasses that were 99% CAB eligible.

“It is impressive that the feedlot has been

Bohn sees great potential in early coordination with ranchers. "We won't just wake up tomorrow and find it in place, but through the Premium Beef Network and Kelly's efforts, we are going to establish those ties on the ranch," he says. "We are going to feed them more competitively than most, return information on them and provide consulting to make adjustments as needed."

Pratt Feeders will continue to adjust as well. "Most customers still measure us on gain performance, and most of them still sell on a cash basis," Bohn says. "As the market evolves into a carcass-based system, we are going to have to get specific groups of cattle

to hit specific grid targets. To get there, we are going to have to know more about the cattle we feed."

He and Giles acknowledge this is a "tough time" to make an impression on cow-calf producers, because of record-high calf prices. "We may be a little early, because of the price of calves," Bohn says. "But in four or five years, more of those people will be feeding."

"We're laying the groundwork this fall," Giles continues, "getting back to people to see if they want to feed or partner in the

USPB system, or sell on contract and still get all the information back. Most people realize this cash market scenario is short-term, and they have an interest in the future."

Bohn points out, "Willingness to share is still new in our industry. We're sharing as much as we can to help the producer have a better set of cattle. We are all beef producers, selling to the consumer. We have a role to play in producing more higher quality beef that we can sell at a higher price."



able to post this kind of carcass performance on this volume of cattle," says Paul Dykstra, CAB feedlot specialist.

"It is an honor to be a part of CAB," Darnall says. "This allows us to feed for top-notch cow-calf producers and increase their rewards by helping them utilize the data CAB sends back."

### Customer service

All of Darnall Feedlot's retained ownership customers use the carcass data in some way. "Some use it more than others," Darnall says. "But all of them utilize it and appreciate it."

One customer who uses the data to make changes in his herd is Mike Gebhart, a commercial cow-calf producer from Meadow, S.D., who was a 2000 CAB award winner. "I make use of the carcass data in breeding decisions," Gebhart says. "It really helps me to decide which cows to keep and which ones to cull."

"We like to provide the services that our customers want," Darnall says. "We try to keep abreast of new technology — it is

important to us to be quicker, better and more accurate for our customers."

Keeping up with new technology helps Darnall Feedlot add value to customers' cattle. For example, ultrasound is used to manage quality and yield grade.

"Their use of ultrasound technology to sort and market fed cattle clearly indicates a focus on driving carcass quality and managing to avoid occurrences of 'out' cattle," Dykstra says.

From science to philosophy, the award-winning feedlot staff studies every pen of cattle.

"Darnall Feedlot knows that feeding programs aren't 'one size fits all,'" Gebhart says. "They really like to have the breeder's input on their cattle."

Darnall makes it a point to sit down with

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**— Mike Gebhart**

the customer and explain the details behind the data they have collected.

"We like to work one-on-one with our customers," Darnall notes. "We show them the ultrasounds and also let them know that the carcass data will be sent to them. Then, we discuss different ways they can use this information in their herds."

"We are fortunate to have customers with good genetics," Darnall says. "We are just a small part of the CAB-acceptance rate."

Using new technology and carcass data are important. But, what keeps people coming back to Darnall Feedlot is the way they are treated.

"Honesty is the biggest requirement when feeding cattle," Gebhart says. "Darnall Feedlot just makes it go hand in hand with everything else."

