

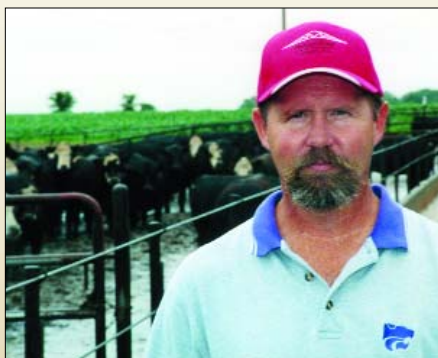
CAB Feedlot Partner of the Year < 15,000 head

The Straight and Narrow

Story & photos by **Lance Zimmerman**



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The only thing small about MPK Land & Livestock LLC, Lebanon, Kan., is the number of commodity cattle in its pens. Manager Steve Peterson wouldn’t have it any other way. His feedlot focuses on making customer cattle profitable on a value grid.

Whether it’s customer commitment, cattle management, marketing opportunities, industry knowledge or feeding philosophy, MPK Land & Livestock has shown it can keep customers focused on raising cattle that reach a high-quality carcass target.

That’s why it was named the 2004 Certified Angus Beef LLC (CAB) Feedlot Partner of the Year for feedlots with less than 15,000-head capacities. Peterson accepted the award Sept. 11 at CAB’s annual conference in San Antonio, Texas.

“Steve takes value-based marketing to the next level,” says Paul Dykstra, CAB feedlot specialist. “He works hard to create relationships with ranchers to get their cattle to hit the carcass targets, and his work makes

a difference. MPK is in the top 25% of all feedlots harvesting 500 head.”

Focused on improvement

Peterson says the 5,500-capacity feedlot was focused on herd improvement long before it became licensed in May 2002, but becoming a licensed-feedlot partner gave him another tool to deliver the message of quality to his clientele.

“The main reason I wanted to be licensed was to find a better way to capture data,” Peterson says. “And with the different programs CAB has available to promote a feedlot, it hasn’t been difficult to get cattle enrolled in the program. The recognition carries further than you expect.”

Reliable carcass data is even more important to communicating the value in producing quality cattle, with 60% of the feedlot’s customers retaining ownership on their calves. Peterson likes having progressive owners who enjoy the feeding side of the industry.

“I am to the point where I am able to pick out the people I want to do business with,” Peterson notes. “I like customers who are innovative, pay attention to detail and maintain records that I can go back to with answers.”

One dedicated customer who fits these criteria is commercial Angus producer Brad Hajny, Esbon, Kan., but he wasn’t always sold on producing cattle for the *Certified Angus Beef®* (CAB®) brand.

“I almost backed out on the deal,” Hajny says. “I had never fed my Angus cattle before, so I wasn’t getting anything back that was positive for me. I even bought a Simmental bull and Charolais bull and was going to go back to the crossbred commercial thing.”

Luckily, Hajny and Peterson talked about feeding options before the next breeding season began.

“I got to talking with Steve, and he mentioned CAB and what they were doing, so I put the brakes on,” Hajny says. “I farmed

those two bulls out, and everything else came together.”

Peterson says he enjoys building relationships that can help increase their CAB-acceptance rates and, above all, make a profit. “My goal is to make my customers the most money possible,” he says.

Profit makers

The feedlot’s CAB-acceptance rate for 2004 on 1,266 head was 22.2%, and Peterson says that as more customers realize the potential for genetic improvement in their herds, those numbers will increase.

“We would love to increase our acceptance rate in the coming years, but we enroll a lot of cattle that we know absolutely nothing about,” he says. “Until we work with those customers to fine-tune their genetics, their acceptance rates will not increase a whole lot.”

Hajny says Peterson’s willingness to talk with producers face-to-face about their cattle is one thing that makes MPK Land & Livestock better than other feedlots.

“I appreciate Steve’s honesty and integrity. He doesn’t try to hide anything, and I know exactly what is going on,” Hajny says. “He calls me if he has any questions and keeps me informed about what is going on at the feedlot.”

Peterson also makes it a point to visit his Montana cow-calf producers.

“I will be in Montana for eight days visiting the 15 customers I have up there,” Peterson says. “During that time we will look at carcass data, and I will help them with genetic selection on bulls so they can improve their cattle. I enjoy that part of the business. It makes my job fun.”

Hajny says Peterson usually comes home with an idea or two for his customers.

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One of the more innovative management tools that Peterson started offering his customers in 1992 was ultrasound sorting.

“I used to think I could sort well visually, and you can with a certain amount of accuracy,” Peterson says. “I want to say maybe 50% of the time you are right, but ultrasounding gives you the advantage when it comes to pulling the outliers and marketing them with something else.”

He admits ultrasound scanning is a service that some feedlots consider a drag on efficiency. However, with plenty of repeat customers and a growing list of producers who want to feed at the yard, Peterson doesn’t see it as a problem. Some yards may have an edge in some areas, but he says, “we can compete with all of them,” especially in marketing and customer services.

“With some customers, we keep spreadsheets on the weights of their calves to figure out how much a cow is costing them per year,” Peterson says. “We compare how

much the cow and calf cost to maintain until harvest and then look at the numbers and see if she is a moneymaker or loser.”

Progressive change is a constant for Peterson, and he encourages customers along those lines.

“There is always going to be some management strategy that you change to try and improve what you offer,” he says. “Sometimes you might stumble, but oftentimes that is a sign you are on the front end of the newest trend.”

Cow-calf producers may stumble when they first set goals for higher CAB-acceptance rates, Hajny says, but with a feeding partner to help, that’s not such a problem. After feeding cattle for three years, his last two groups reached 40% CAB, but it wasn’t an easy achievement.

“It can take some time to get the right cattle that meet CAB requirements,” Hajny says. “You do not do this overnight. It takes a few years of breeding to see if the numbers come through.”

