

# Taking the Leap

Seeing the evidence of quality and profit, one Nebraska cattleman starts a retained-ownership program.

by Wendy Mayo

What seems like a missed opportunity can be a chance to learn. During a normal year, Dean Coleman sells a load of females as replacements at a \$7- to \$10-per-hundredweight (cwt.) premium to steers. Last year, however, feedlot buyers outbid the ranchers. With mixed feelings, the Arnold, Neb., rancher saw the heifers go to 4+ Cattle Feeders, Lexington, Neb.

"I was disgusted that we didn't get them sold to the replacement side of it," he says. But 4+ is a Certified Angus Beef LLC (CAB)-licensed feedlot, and manager Trent Hutchison tries to share carcass data with the ranch of origin whenever possible. "It turned out fine because we got information that we didn't know we could get," Coleman says.

When the 60 heifers were harvested in late summer, nearly 60% of them were accepted for the *Certified Angus Beef*® (CAB®) brand, and nearly 60% were a lean Yield Grade (YG) 1 or 2. In fact, there was not one discounted carcass in the pen.

That confirmed what Coleman had long suspected — people made money when they bought his cattle, and the data provided extra confidence.

"Although we had a clue that our cattle must have been doing all right, because we had repeat buyers, the information we got back on the heifers helped us make the decision to try a retained-ownership program," he says.

## Trying something new

He decided to work out a retained-ownership program with another CAB partner, Darr Feedlot Inc., Cozad, Neb., because other family members had established a relationship there.

"My son-in-law and his father have fed cattle there before, and they got along real well," Coleman explains. In February, he sorted



PHOTOS BY STEVE SUTHER

► Dean Coleman (right) and his wife, Melanie, trust in their Angus cattle's genetic performance to get the job done. "The Angus people have done a tremendous job of keeping the whole package together," he says. "We can get maternal traits and 4 pounds of average daily gain."

off the top-end steers, already well past the target for his backgrounding program at 950 pounds (lb.), and sent them to Cozad.

Coleman also farms and raises corn, so the deal with Darr Feedlot helps a couple of facets of his operation. "We have a pretty straightforward agreement," he says. "I took the steers to them, and I have been delivering corn. That corn then goes to pay my yardage and projected feed bill."

Craig Uden, manager at Darr Feedlot, says the plan works out well for both parties. "He brought us a good-looking pen of cattle. We feed his corn to his steers, and then, if he has some left over, we buy it from him," Uden says.

## Preconditioned for success

Coleman enjoys getting his calves off to a good start. "Everything is vaccinated with seven-way blackleg at birth, and we castrate all of the bulls," he says. "That takes away a lot of the stress as we go to grass and branding time. We follow Broken Bow Animal Hospital's recommendations all the way through, preconditioning four to six weeks before September weaning." Booster shots are given 30 days after weaning, when steers get their second implants.

"We background our calves for quite a while," Coleman says. "It's nice to see them grow; I enjoy that as much as the rest of the

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► Coleman farms and raises corn. An agreement with Darr Feedlots includes his supplying the corn for his steers in return for yardage and credit toward the projected feed bill.



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business. We want them to get to the 750- to 825-pound weight range.”

Uden says the cattle are so well-prepared for feedlot life that they are near ideal in health and performance.

“I haven’t heard much from Dean, but since his cattle are doing well, we really haven’t needed to be in close contact,” Uden says. “He has fewer things to worry about than someone who sent us calves right off the cows. He has sent us more of a sure thing, with predictable results.”

Uden says Coleman’s implant strategies are successful because his cattle are constantly offered every chance to grow. “Dean’s cattle are given adequate nutrition throughout their lives, so implanting helps boost their performance and growth,” he explains.

### Quality genetics

Coleman implants aggressively because of confidence in his Angus cattle’s genetic performance to get the job done.

“The Angus people have done a tremendous job of keeping the whole package together,” he says. “We can get maternal traits and 4 pounds of average daily gain (ADG).” As for carcass value, the data speaks for itself.

Coleman avoids cows with excessive size. “In a moderate package we can get all the growth and feed conversion, and we don’t have the calving problems,” he explains.

On the other side of the equation, Coleman says he looks for bulls with moderate birth weight and good carcass traits. He has purchased bulls from a couple of seedstock producers, including Lowell Minert, Minert/Simonson Angus, Dunning, Neb., and Brian Thompson, Stepladder Angus Ranch, Sutherland, Neb.

“We started with Angus,” he says. “Of course, we messed around with Charolais and Simmental, but that didn’t last very long. Lowell has much to do with the better quality Angus bulls that we bought initially.” When Minert’s sale conflicted with high school wrestling events, Coleman tried Stepladder, which was equally helpful in helping Coleman learn the ropes.

“Both Lowell and Brian have been great about explaining the information in their sale catalogs,” he says. “They have been very patient in helping me understand EPDs (expected progeny differences) and everything else I need to know before I buy a bull.”

Coleman does his homework before he makes a purchase. “Dean has always been very interested in learning about EPDs and has asked a lot of questions,” Thompson says.

Minert says Coleman has applied what he has learned to build up a herd that will produce good things. “He has been able to balance a number of traits in his cow herd,” Minert explains. “He has also realized the value of selling females as replacements, and that is partially why he has stayed away from crossbreeding.”

Uden says a retained ownership program is a great way for Coleman to evaluate all areas of performance in his cattle. “These guys are producing better cattle, and they need to find out how well they are doing, above and beyond carcass data,” he says.

### The price of learning

Each Darr Feedlot customer who retains ownership has a different goal in mind, Uden says, and it’s not always to make the most money.

“Retained ownership is a great opportunity for cow-calf producers,” he says. “It is simply an extension of their operation and a way for them to learn from their strengths and weaknesses.”

It can be a risk, but Uden says it’s one worth taking. “It is always a challenge to retain ownership,” he says. “People think about the risk, especially when the markets are high. But I believe it is a valid way for producers to learn, and sometimes you have to pay to learn.”

One goal for retaining ownership was to find out exactly what his cattle were doing after they left his hands. “We thought we had the genetics to be successful, so we decided we had to find out for ourselves,” Coleman says.

The first steers were off to a great start, and the market outlook was favorable, but there may be profit challenges down the road.

“It seems like the more I learn, the more I realize I don’t know. I guess I will pay the tuition to learn,” Coleman says. “My learning curve in this situation has been steep, but everyone has been willing to work with us, and we have had excellent communication throughout the whole process.”

