

An Eye for Quality

The CAB Quality Assurance Officer of the Year sees cattle as individual carcasses.

Story & photos by Kira Everhart

One steer here, two over there. Just a few more lunges from his small paint mare and the quiet man in the straw hat is ready to send this load of cattle to harvest. At a glance, he knows which ones are ready and which ones need another week. His experience and talent have helped turn this small operation into one of the best-managed Certified Angus Beef LLC (CAB)-licensed feedlots in the nation.

Scott Stephens has an eye for quality cattle, and you can see it in his work at Schmitz Feedlot LLC, Clayton, N.M. He can “eyeball” carcass weights, as well as the Choice percentage and *Certified Angus Beef*® (CAB®) acceptance rate, with the best of them.

That eye, along with excellent management techniques, earned Stephens the title of CAB 2003 Quality Assurance (QA) Officer of the Year.

Schmitz Feedlot was established in 1980, when Roger Schmitz moved with his family from Ohio and bought a 2,500-head-capacity feedlot. It has since grown through four expansions to allow room for 5,000 head. Schmitz also grows corn on site, processed in the steam flaker he added in 1995. Today half of the cattle on hand are custom-fed, and Schmitz offers feed financing, risk management and assistance in cattle financing.

Stephens, a native Texan and former Marine, began his career working for larger feedlots. He was looking for an operation with more focus when he came to Schmitz in 1993. Four years later he was named assistant manager.

The size and staff at Schmitz presented many more opportunities for Stephens than the previous feedlots had. “Our crew, just three others, are all easy to work with, and we can try things that wouldn’t be possible at a bigger yard,” he says. Schmitz

has also proven to be an important guide for Stephens. “I’ve learned more here as far as quality control than anywhere else,” he explains. “Other feedyards didn’t give me the leeway that Roger has.”

In 1998 Schmitz began to concentrate on higher quality beef by becoming a stockholder in U.S. Premium Beef (USPB). It took the next step in spring 2002 when it became a CAB-licensed feedlot. Since that time, Schmitz has averaged 20% CAB acceptance, beating out the industry average of 17.3%. It continued to gain recognition when named CAB Partner Feedlot of the Month in August 2002, and later when Stephens was chosen as the CAB QA Officer of the Month in March 2003.

As manager and assistant manager, Schmitz and Stephens are close collaborators. Each has his own specialization, and together they make a well-rounded team. Schmitz focuses on commodities and works with customers in



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discussing services. Stephens is most comfortable out in the lot.

“He takes care of the cattle,” Schmitz says. “That’s his end of the soapbox.”

Optimizing results

Stephens’ talent in evaluating cattle is the key to the most important aspect of his management — sorting. “I’m not looking at him as a steer out there in the pen anymore,” he says. “I’m looking at him as a carcass.”

Every week, Stephens and fellow crewmember Martin Moncada make the rounds through the pens, picking out the steers and heifers that are ready to go. The average group size of 90 head means more individual attention on the cattle. Stephens gets a good look at every animal and knows how it compares to the others in the pen. He is then able to choose the optimal shipping date for each one.

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cattle, there are four things that I'm looking at," he explains. "Will this animal grade Choice or higher? Am I pushing a Y4 [Yield Grade (YG) 4], or is it better than that? What is his hot yield (dressing percentage) going to be? Will this animal grade CAB?" He uses what he sees to make his judgment.

Schmitz has been pleased with the clockwork effect. "It is much easier to optimize the performance of the cattle with this tight sorting schedule," he says. "When you continue taking 10 of the top ones out all the time, next week, there will be another 10, and the week after, another 10. It is just getting more efficient all the time."

Since he first began at Schmitz, Stephens has watched the operation evolve. During his first four years, they never sorted cattle. They were selling for the market, looking for which pens were finished, and not concerning themselves with premiums. When Schmitz decided to participate in the USPB program, the sorting focus changed, Stephens says. "We started looking at the cattle and moving them, trying to keep the premiums up."

The feedlot's sorting techniques are dynamic. "Up until this spring, we were sorting into groups of half-loads or loads," Stephens says. "In the last few months, we have begun picking whatever is ready. That may mean anywhere from two to 20 head out of a pen. It has created more paperwork, but the premiums have been good for our customers."

Stephens has seen changes in his own strategies through the years, too. His eye for quality has grown sharper and more focused. "When I used to sort cattle, I wasn't thinking about things like yield or quality grade," he says. "I used to sort them for fat — what's ready to go, and what's not ready to go. Now it's not just a whole or half of a pen that is a premium — it's each individual."

He plans to be more selective in determining which cattle to enroll to increase Schmitz's CAB acceptance rate. "Hopefully, it will keep us over 30% or better," Stephens says.

It is just another step in focusing on high-quality cattle. "They aren't hiding the cattle that don't fit," says CAB feedlot specialist Paul Dykstra. "But they are identifying those that really belong in the CAB program, and also identifying the known Angus cattle."

What may be most impressive about the Schmitz operation is the overall beef quality from cattle whose genetics are unknown, Dykstra says. Ninety percent of the cattle that come into Schmitz are purchased from an order buyer.

"Roger and Scott do not know the specific background of the cattle, but they do a nice job of managing to an end point that is high-quality regardless of the background," he

says. "By sorting the cattle into such small groups, Scott best optimizes his results, producing a high CAB acceptance rate."

View from above

Some say that what one knows of the world depends on where one is standing. Or sitting, in Stephens' case. Most of his sorting is performed on horseback, giving him a better view of each animal's conformation and the overall herd condition. He attributes much of his success to his equine partners. "Horses are used every day and in everything," he explains. "We sort all the fat and sick cattle out of the pens with the horses."

Stephens has also found that sorting on horseback provides him with a level of efficiency that he would not otherwise have.

"We've discovered over the last four to five years that if you leave the cattle in the pens while you're sorting, they don't get so excited and stressed," he says. "For me, I can get a better look at them in the pen than I would in the alley."

In addition to the drylot cattle, Schmitz also runs grazing cattle, which means extra work for the horses.

Especially in the fall, roping and cutting chores require considerable exertion from one horse, so Stephens keeps three on hand to even out the duties.

"The horses are probably underpaid for what they do," he adds wryly. "They have quite a bit of work, especially when we're straightening out the wheat and grass cattle."

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Focused on excellence

The feedlot's dedication to quality Angus cattle is exceptional.

"Schmitz takes its affiliation with CAB seriously," Dykstra says. "They want to do a good job and produce a high number of carcasses that perform well in the program." They make every effort to do this. In mid-2003, Stephens determined that 86% of the cattle in the feedlot were black-hided.

Stephens' high level of attention in obtaining carcass data has been as impressive as

his dedication to production details. "He does an outstanding job of reporting to our offices when the cattle are shipped and later going back and retrieving that data through our system," Dykstra says. Schmitz has a 95.31% success rate in data retrieval, above average in an industry-leading system.

The feedlot benefits from CAB carcass data reports, Stephens says. "The CAB graphs and reports give me some goals to look toward, ways that I can make this feedyard better." He hopes that data and good management techniques will bring in more producers with CAB-type cattle. "Our operation is not really big, but maybe we can help those people if they're interested in feeding for CAB."

Stephens is optimistic about the feedlot's future with CAB.

"I'd like for us to be known as a quality yard that feeds and produces top-of-the-line cattle," he says. "I'd like to get customers who are interested in feeding their own cattle and getting the carcass data back so that they can make improvements on their own herd."

Schmitz also sees their tie with CAB as an

important factor in the survival of Schmitz Feedlot. "The days would be numbered for a small operation like ours if we chose to stay exclusively commodity," he says. "I think it's important to have an alliance with a program like CAB or USPB because, as a small yard, it is hard to compete with the large yards," Stephens adds.

Each man's goals for the future of Schmitz Feedlot reflect his personal area of interest. For Schmitz, who handles all that is business in the operation, guarding the alliance with CAB is very important. "I'd like to keep the cooperative way of marketing cattle that we've experienced with CAB and USPB."

Stephens, on the other hand, sets his sights back out in the lot. "I'd like to continue improving our sorting and how we handle the cattle," he says. "I only hope that this will keep getting better."

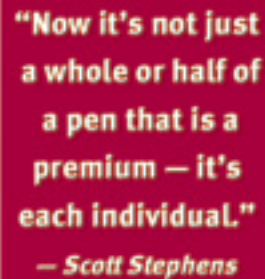
Even if their objectives may differ slightly,

the men agree on the operation's greatest strengths. "We're small and family-oriented," Schmitz says. "We pay close attention to detail." They know the concept that big

means efficient, but their size allows for its own efficiency in producing quality. "We're small enough to see these cattle more individually than if we had 10 times as many," Schmitz says.

Stephens agrees. "You have the same guys riding the same cattle," he says. "There are only two of us, and we get to know the cattle that are in the pens."

Being family-operated, Schmitz Feedlot brings a value system to the beef industry, a dedication to excellence that is evident in all areas. In Stephens, it also brings forward a man with an eye for cattle and a persistent vision that Schmitz will be known for its quality, efficiency and consistency. Thanks largely to him, that vision is already a reality.



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