



Best on a Quest

Buffalo Feeders wins
2009 CAB Large Feedlot
of the Year.

Story & photos by **Laura Nelson**

At 0600 hours, the feed trucks trundle out. Pen after pen of uniform, black cattle line the bunks, almost standing at attention, ready for chow. The ration has been weighed and measured within a 1% margin of accuracy.

At Buffalo Feeders LLC, military precision brings in the feeding day, sure as reveille.

“We sample every load of corn. We sample our flake every hour to make sure we’re producing the right bushel weight with the right gelatinization with the right moisture. We segment everything we do here into separate production areas, and then we detail-manage each of those areas,” says manager Tom Fanning. “It’s got to have something to do with my army background. I like things to be just so.”

The *Certified Angus Beef*® (CAB®) brand’s 2009 Large Feedlot of the Year, located near Buffalo, Okla., marches to meticulous order, but its leader couldn’t be further from a tyrant. Fanning greets folks at the yard with an easy smile, an eager handshake and a quick stroll through the pens. He knows every animal in the 30,000-head yard, or at least knows where to look it up.

Darrel Shepherd, Custer City, Okla., was looking for a feedlot that would provide individual feeding and carcass data. He found that in Buffalo. On his initial visit, Shepherd was impressed.

“Tom had a yard sheet in his pickup and didn’t look at it more than twice,” he says. “He knew exactly — these came from this ranch, he’s fed here this long, here’s what they’re doing with their calves. That was very comforting to me, that he gives that individual attention to each customer.”

Perhaps even more important, the 40-member crew at Buffalo Feeders gives



► “Each group of cattle is fed to its best end point,” Tom Fanning explains. “I won’t say perfect, but I will say best. We have to try to balance the economic side of the cost of feeding with the carcass quality and value side so we can return the most for each animal shipped.”

CAB Large Feedlot Partner of the Year

that individual attention to all cattle in the yard. Animal induction procedures rely heavily on technology and information from producers. There’s an electronic identification (eID) tag reader on each scale and a scale under each chute to enter each animal into Buffalo’s database. As often as possible, Fanning works with producers who retain ownership to track individual birth, weaning and yearling weights. The database links ranch tags to yard tags to help producers make herd decisions based on feeding and carcass results.

“So when we’re all done, he and I will sit down, and I’ll take all this data and sort it

from the highest to lowest value,” Fanning says. “And we’re going to go through and find out what genetics of his are in the top 20%.”

Finding advantage

Buffalo customers like Jim Davis take that data to heart.

“Tracking individuals is one of the things we were serious about, so we keep them informed as far as our herd tags go. We want to be tracking the herd sires we use,” Davis says. He and wife, Debbie, sell registered Angus bulls in Burns Flat, Okla.

They feed their own steers at Buffalo and encourage bull customers to do the same. When the carcass data came back on that first pen, it was like an intelligence report, bringing good news of premiums to come. “It’s neat to have a breeding program where you shoot toward high quality, and then you put the cattle in there to feed, and sure enough, they do what the EPDs (expected progeny differences) said they would do,” Davis says.

Cattle manager Caleb Nelson works to help customers understand the “intel” that



comes back to them. “Whether they are using our information to buy bulls or sell their cows, we want to help them enhance their program back home,” he says. “We’re trying to help customers that are trying to put together something from their genetics to consumption, from pasture to plate.”

Nelson says he knows they’ve done a

good job feeding when customers like Davis get successful results back. Their first Buffalo-fed calves graded 100% USDA Choice and made nearly 50% CAB. Davis, eager to get more bull customers to feed at Buffalo, says the results are “a testimony for the Angus breed, their EPDs and the dollar values (\$Values) that come with it.”

Sorting for added value

Sorting for uniformity is the key to capturing more of the value. “To me, sorting is the best thing we can do for a customer,” Fanning says. “The cattle that are uniform are easier to sell because they go through the packing plant easier.”

Cattle are frequently re-evaluated, re-sorted and grouped with others at the same target feed-intake levels. Intake goals are set for each pen based on a mathematical equation. “When we’re challenging those cattle to increase their intakes, we have to know where they’re at according to their goal,” Fanning says.

But crunching numbers in an equation is only part of the precision. Cattle are scanned by ultrasound at re-implant to monitor progress, a kind of hard information that carries immediate orders. “We try to sort those cattle that day according to what the scan projection was,” Nelson says. Cattle expected to finish at the same quality level are grouped to optimize uniformity.

Although a self-proclaimed perfectionist, Fanning does know his limits. “Each group of cattle is fed to its best end point. I won’t say perfect,” he adds grudgingly, “but I will say best. We have to try to balance the economic side of the cost of feeding with the carcass quality and value side so we can return the most for each animal shipped.”

Managing risk

Fanning relies on his background as an agriculture economics major in college to optimize the value side of that “teeter-totter balance.”

“It’s all about not only managing details on your production, but managing details on your marketing, too,” he says. “Whether that’s risk management, or where you’re selling your cattle, or what programs they’re selling into.” With a calculator seemingly never out of reach, Fanning constantly puts dollars and cents to his feeding practices.

“I knew I could get a premium on my cattle the way Tom was going to sell them,” Shepherd says. “He helped me with the hedging decision, which made us a lot more money.”

“The risk management side of the cattle business is so key,” Fanning says. “Our business has changed, and the price volatility has increased. So what we try to offer are some risk management tools for our customers.”

Possibly the most valuable marketing tool is education. He and Nelson spend time visiting customers and facilitating discussions

about the feeding process and marketing options. Fanning recently visited 7L Farms in Wiggins, Miss., to get better acquainted with the new feeding customer. 7L general manager Michael Bishop took advantage of the opportunity and gathered a group of 30 bull customers for an evening seminar.

“I wanted our bull customers to know how they could possibly be making more money with their cattle through retained ownership, and to know what adds value to the calves they produce,” Bishop says. “He was able to convey a lot of good information to these guys about risk management, break-even costs and other marketing venues in a language they could understand.”

That’s the way Fanning says he hopes to continue to build a loyal customer base that will bring him high-quality Angus cattle.

“I want my customers to be successful, and I want them to be our customers for 20 years, not just one. It’s like that old saying, ‘you teach someone how to fish instead of giving them a

fish and you feed them for life.’ I just want to try to give someone what I’ve learned so they can help their operation do better. In turn, that will make us more successful, too.”

At Davis’s bull customer appreciation dinner, Fanning and Nelson changed some rancher perspectives on the feeding business and opened their eyes to prospective money-making partnerships.

“Tom came to our dinner and told these guys, you know, you can make money feeding cattle — if you’re feeding the right cattle,” Davis says.

They also alleviated fears of being treated poorly by feeders. “The fear of feeding cattle in our customer base is really hard to understand,” Davis says. “They’re afraid of dealing with strangers. People with a big 30,000-head feedyard, they’re afraid they are going to get lost there. But that could not be further from the truth.”

Bull’s-eye on the truth is the personable nature and meticulous attention to detail throughout the Buffalo Feeders staff. The first time Davis fed with Buffalo, it was just a small group of calves. “They treated us just like we were one of the big boys,” Davis recalls. “Anything I have ever needed, they just make me feel like they drop everything to take care of my projects and let the rest of the world go. I just can’t say enough about how accommodating those folks are.”

Of course, when a feedyard operates with the precision of a combat mission, it’s a lot easier to find time to focus on customers.

“We want to manage the details every day — the small things, down to the individual animal, whether that’s through animal health or feed delivery or through visiting with customers. If you manage the pennies, the dollars take care of themselves.”

That’s not just a battle plan; it’s a proven path to victory for Angus producers.

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— Jim Davis

