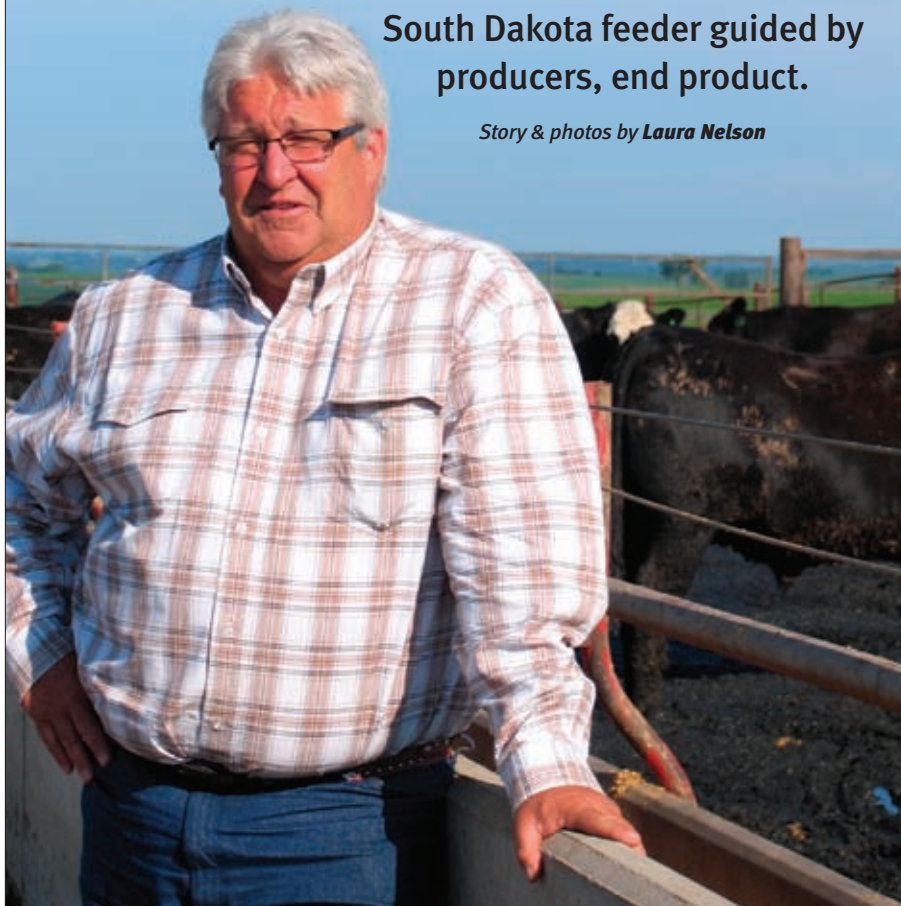


# Every Step Matters

South Dakota feeder guided by producers, end product.

Story & photos by *Laura Nelson*



**J**ohn Haverhals hasn't gone very far in life — literally.

He grew up in Sioux Center, Iowa, 6 miles east of Hudson, S.D. Now 6 miles west of Hudson at Haverhals Feedlot, the owner-manager jokes about the meager 12-mile journey he's made in life.

Figuratively speaking, however, he's often leagues ahead of feeding industry peers.

Clients of his custom-feeding business are the first to reap the benefits of Haverhals' penchant for looking ahead. He started encouraging producers to use electronic identification (eID) several years before source- and age-verified premiums made them a staple of value-added marketing.

"John just felt like the eID tags were something that was coming in the industry," Darrell Henderson recalls. Henderson, who operates his family's Eagle Nest Ranch in northwestern South Dakota with son Wade, admits that without Haverhals' encouragement he wouldn't have started tracking his cattle so closely.

"If you want to be forward-looking, you have to just do some of those things and hope it works out in the end," Henderson says. For the Eagle Nest Ranch, Haverhals' futuristic advice worked out in the end — the ranch was comfortably set up to reap the rewards of source and age

verification as soon as premiums were offered.

"John's always an asset," Henderson says. "I rely on him for that kind of information because he stays much more current on the markets and issues like that than a rancher like me."

## Industry advisor

Since starting the feedlot with wife Lorna in 1983, Haverhals has relied on a never-ending education to keep ahead of industry issues. During the past 25 years, he's stayed far enough ahead to claim a few industry firsts. As the South Dakota Cattlemen's Association president in the mid-1990s, he helped write the state's Beef Quality Assurance (BQA) plan. It was one of the first BQA plans to incorporate the seven principles of HACCP (Hazard Analysis and Critical Control Points).

"We focus on those critical management points, and we always want our yard to operate under those principles," he says.

Haverhals' feedyard was also the first in the state to become a Certified Angus Beef LLC (CAB)-licensed feedlot partner. "Even ranching with my father, we always sorted cattle for finish," he says. "We have tried to maximize the end point [carcass value] of the animals, so that was kind of the culture that was ingrained in me. When I heard about CAB doing the Feedlot Licensing Program (FLP), I actually went to them to see if I could be a partner."

As usual, he was looking for a way to add value for customers. Haverhals works with them to focus on the carcass data they receive and improve their herds. That information not only optimizes cattle performance in the yard, but on the ranch as well.

He recalls one Montana cattleman who retained ownership but often lost money on heavy carcass discounts. Upon visiting the ranch, he discovered they were paying to truck in corn to winter the calves before shipping to the yard.

"They didn't realize that was what was helping create those overweight carcasses — it was just too much of a growth curve on them too early," Haverhals says. "They changed how they wintered their cattle, and it changed their feed bill by \$67,000 a year on 1,100 head."

That's an example of putting all the pieces together to save money. "You really have to talk with your customers, because you only have one piece, and they only have one piece," he says. "If you don't talk to each other, it just doesn't work."

Haverhals says he recently attended a rangeland rotational grazing seminar.



► **Above:** "You really have to talk with your customers, because you only have one piece, and they only have one piece," John Haverhals says. "If you don't talk to each other, it just doesn't work."

“Our retained-ownership customers — what they’re harvesting is grass. So I need to know more about that, too. To be a successful feedyard, I’ve always thought that I need to know the core principles of what a rancher does, and why they do what they do. It helps me to come to a better decision when I’m making a business plan for a set of calves that are coming into the yard.”

He has to focus on his own feed products, too. Haverhals attributes relatively low operating costs to his unique geographic location in the heart of corn country, with five major packing plants within 130 miles.

“We have the cheapest corn in the United States in the Dakotas. All our feed is relative to the price of corn, so our base price is lower than most,” he says. With that corn base comes opportune access to byproducts for feed, also at short freight costs.

Though his feed costs may be smaller than southern feedlots, that’s no excuse for complacency, Haverhals says. “As an industry, we really need to focus on feed efficiency. Seven-dollar corn last year was a wide awakening. It really made me re-think a lot of stuff we were doing,” he says. “I revisited all the things I had learned over the last 30 years that may influence feed conversion. We can’t get by being mediocre.”

There’s nothing mediocre about the results those management practices show. In 2008, cattle enrolled with CAB and harvested from Haverhals’ feedyard saw a 53% CAB acceptance rate while 93% graded USDA Choice or Prime. Those are the numbers that prove the hard work is paying off.

“It’s all about using what’s out there and making sure my customers are using it, too,” he says. “If you have that kind of cattle, you know you’re going to be more profitable.”

### Consumer focus

Haverhals doesn’t just think about the future of feeding, but also the near-term, here-and-now reality that most cattle in his yard will become high-quality beef. Another longtime customer counts on his expertise to maximize his custom-feeding potential.

“To me, if you’re going to select a yard, it’s important to find one that is going to give you carcass data,” says Wall, S.D., rancher Myron Williams. “John really pays attention to what the cattle are doing and how they’re performing. Everything they do is geared toward the benefits of selling the meat.

“He’s always thinking about the end product,” Williams says. “It’s so important

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**— Myron Williams**

to him to have a meat product that is tender and consistent — and that should be everybody’s goal. We don’t want anybody to have a bad eating experience.”

But it wasn’t his feeding background that made Haverhals realize the

importance of producing high-quality beef. It was that state BQA program. “There were some things that really glared at me from that side of the industry,” he recalls. “The part of the BQA program that really struck me was the consumer side. It wasn’t about the stuff that would necessarily make an impact on the short-term of our feedyard; it was all about the consumer and the demand.”

Although he’s stuck in the middle of the pasture-to-plate cycle, Haverhals knows feedlot managers play an important role for consumers. His feeding customers know that, too.

“You have to have the right cattle to start off, but they have to be fed right once they get to the yard,” Williams says. “Then you have to make sure to handle the market and the delivery right, too. It’s all in his management, and he does a good job.”

In Haverhals’ mind, selling a high-quality product has to go far beyond the feedyard. It has to go all the way to the consumer.

“I think each of us has to tell the story of agriculture, whether we’re raising corn or grass or managing a feedyard. We have to be advocates,” he says. “And even more, we need to make sure we don’t do anything that may compromise the integrity of our product.”

That’s why it’s so important for Haverhals to keep accurate records. “I think we’re going to be scrutinized more and more all the time, whether it’s by environmental regulations or

FDA (Food and Drug Administration) regs. You have to keep good records and prove that you’re using the best management practices.

“We have to tell people about the good things we do in agriculture,” he adds. For him, it’s not a story that took vast distances to create — 12 miles is all. But he’s made every step count.

47