

# Filling Pens, Creating Supply



## Kuner Feedlot earns CAB Progressive Feedlot Award.

Story & photos by **Miranda Reiman**, Certified Angus Beef LLC

**N**o one is automatically insulated from the effects of a shrinking national cow herd. From a 1,000-head farmer-feeder to one of the largest feeding companies in the United States, everyone in the finishing business is looking at ways to keep pens full.

Kuner Feedlot, one of 12 in the JBS Five Rivers Cattle Feeders group with 1.6 million annual marketings, goes for proactive rather than reactive ways.

The management team's unique approach caught the attention of the *Certified Angus Beef*® (CAB®) brand, which was to name the Colorado yard Progressive Feedlot of the Year at the Certified Angus Beef LLC (CAB) annual conference in Palm Desert, Calif., in September.

**Progressive  
Feedlot  
of the Year**

### Technology outside the box

"We knew last fall that it could get tough to find cattle and we'd be forced to be creative," says Nolan Stone, general manager at the 100,000-head-capacity yard located near its namesake town along the South Platte River.

They quickly gravitated toward developing replacement heifers, but not just any generic females would do.

"We were looking for a marketing niche when we started all this," he says. "The

idea was, 'Let's do something that will separate these heifers from what else is out there.'"

They purchased 4,500 head of known Angus heifers and then used all available tools to make them a value-added group of

replacements. Blood samples were collected during processing to evaluate each heifer for gain and grade potential using CAB's GeneMax™ (GMX) genomic test. The first decision on which to feed vs. breed was based on those GMX scores.

"They wanted to base their selection on something that was more objective and had direct feedyard and carcass economic meaning attached to it," says Kent Andersen, technical services specialist for Zoetis, the genetics company that developed GeneMax in collaboration with CAB and Angus Genetics Inc. (AGI). "They were pretty homogenous-looking, a nice combination set of black heifers. They looked enough alike where it wouldn't have been so easy to do that initial sort on phenotype."

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► **Above:** Nolan Stone, general manager at Kuner Feedlot, describes company strategy for developing replacement heifers: "The idea was, 'Let's do something that will separate these heifers from what else is out there.'"

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Using the 100-point combined measure for both gain and grade, the team at Kuner sorted off anything that didn't make at least a 50. Then Colorado State University assigned a docility score and evaluated the females for depth and width. Those that didn't make the cut went into a natural feeding program.

Then they used timed artificial insemination (AI) on the remaining 1,250, followed by a second round of heat-detected AI at the feedyard. Another 150 sorted themselves out during the process, and 1,100 heifers were then sent just south of Steamboat Springs, Colo., to Saddleback Ranch, which Five Rivers leases. Fifteen cleanup bulls, all  $\frac{1}{2}$  brothers leased from John Raftopoulos of Diamond Peak Ranch, Craig, Colo., completed the breeding program.

Andersen helped select the four AI sires. "We went straight to the American Angus Association sire selection tool on their website," he says, noting the Kuner goals of a double-digit expected progeny difference (EPD) for calving ease direct (CED), a "sensible" birth weight and "as much growth and grade as possible."

Using the Sire Match feature of GeneMax, several sets of heifers were identified by known sires, including some Mytty In Focus and SAV Final Answer daughters. Only 39% of the heifers with unknown sires were selected, compared to 60% of those with superior genetics. That helped with choosing which stayed in the program, and it also guided mating decisions.

"We wanted to pick three or four AI sires that represented enough diversity that we could match to the heifer groups and accentuate strengths or cover any weaknesses, as well as minimize inbreeding," Andersen says.

The average weaned calf value (\$W) and beef value (\$B) indexes of the AI sires were \$41 and \$87, respectively. That puts them in the top 5% of the breed for those indexes.

"It builds a great case for just how intense

of selection you can put towards making the best cattle possible in one cross with synchronization and AI to superior Angus sires," he says.

That's an advantage to any of the bred-heifer buyers, but also has a greater industry benefit.

"We felt like we could do a small part to improve the cow herd. We'll be creating a set of feeder cattle down the road that were selected for things like \$B," Stone says. It depended on where heifers sell this fall, but he'd like to see some of the progeny returning to the yard.

"We'll know where some cattle went that should have superior genetics," he says.

"I'd like to have a shot at buying those calves back

and seeing how they do."

To punctuate the supply impact, Stone would like to see what could happen if others followed suit.

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**— Nolan Stone**

## At the helm

It takes 65 employees, 30,000 bushels of steam-flaked corn each day and a whole lot of gumption to run a 100,000-head feedyard. At the helm of Kuner Feedlot is Karval, Colo., native Nolan Stone.

Of course, having the right 65 people around him makes a big difference.

"The biggest thing I try to do is hire good people and try to keep them around me," he says. "I've got such a good, good

management crew. They're all conscientious, responsible and take care of stuff — that's key."

Stone knows what it's like to be one of them. He started out with another Colorado feeding company, but moved to Eaton, Colo., after marrying wife Jodi.

"I started out as a management trainee in the cattle department," he says. "I processed cattle and all that."

After a month, he was promoted to cattle manager, then assistant general manager for a year before taking the reins as general manager.

A sixth-generation Colorado cattleman, Stone says he got into the feedyard business by accident. He came from ranching roots, but took a feedyard-management class mainly because it was the only one of two required course options that didn't demand an early alarm clock.

Ironically, he's up early these days, typically cruising the yard with a cup of coffee and his receiving manager as they look over any new arrivals. Then it's the whirlwind of the day, filled with glancing over yard sheets and mill numbers, taking phone calls, buying cattle and checking in with other department managers.

"You're around people all of the time, cattle and lots of numbers," Stone says. "That's interesting to me."





“We’ve had no secrets about this program,” he says. “We’ve told people our goal is not to just market these 1,100 heifers, because that’s not much in the whole scheme of things. We’d like to tell people ‘here’s how we did it,’ and hopefully others will do it and make better cattle.”

Andersen says it’s the perfect timing for a model like this.

### Changing the model

“If it rains and all feedstuffs moderate in price, we could expect pretty substantial increases in heifer retention in the next one to five years,” Andersen says. “This project really served as a very large-scale prototyping effort for how we can use all technology at our disposal to select the best heifers possible and then breed those to the best, proven, genetically superior Angus AI sires possible.

“We’re also hoping to avoid the costs associated with heifers that aren’t going to make good cows or produce progeny that gain and grade,” he says.

That’s become a bigger concern for Stone, who has worked for Five Rivers for 14 years, the last seven as the Kuner general manager.

“We’ve really learned since we started feeding naturals,” he says. “We do mass sorting on the traditional cattle, but the natural cattle, we generally leave in their contemporary groups, and they don’t receive the benefits of all the available technologies, so you see huge gaps in performance.”

Some 3,500 head come and go at the

feedyard each week. As the traditional cattle come in, they’re individually weighed and stay in holding pens for 30 days while they’re stepped up to a finishing ration.

“That allows you to put your best penriders to take care of those higher-risk cattle,” Stone says, noting it makes feed delivery easier, too.

Although the Kuner Feedlot tracks performance, grade and profitability on every pen (and they are compared on those numbers during monthly corporate-wide conference calls), the commingling makes it hard to relate back to individual ranches. However, the natural cattle are mostly kept together by source.

“Feeding them really made us realize the better cattle are worth more money,” Stone says. That’s another message they’ve been taking public, even speaking at a couple of Angus bull sales this spring.

“We’re interested in cattle that have better genetics,” he says. “We can’t just buy the best cattle, but if people understand we’re paying attention to it, maybe it will become more of

a management style than it used to be when everything was just a commodity.”

A revamp of corporate buying strategy makes it easier to keep tabs on the better

cattle, too. Formerly, each manager purchased all the cattle into their yards, until they realized that meant they were often bidding against each other on the same set. Today, they’ve “regionalized the buy” so that Stone negotiates on any cattle out of western Colorado, Nevada or Utah. His cohorts at other Five Rivers yards cover other regions, and then they go into whichever feedlot needs the cattle.

“You get to know certain sets of cattle, and it’s worked good,” he says. “Now I’m taking fewer phone calls, and I can learn more about the area. It makes us a lot more knowledgeable and specialized in each region.”

As Stone says, “Data is power.” So the more he knows — either by genetic tests or tracking performance or relationship building — the better.

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**Editor’s Note:** *Miranda Reiman is assistant director of industry information for CAB.*

