



Quality Focus Award, >15,000-head capacity



Quality Motives

Two-way communications build success, cut risk for Quality Focus Award winner, customers.

Story & photos by **Miranda Reiman**,
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Call the CIA. There's a case to crack. More than 5,000 head of cattle from a western Nebraska feedlot surpassed 40% *Certified Angus Beef*® (CAB®) brand and Prime acceptance from June 2011 through the end of May 2012.

"The reality is very few feedlots of that size have that many good cattle," says Paul Dykstra, a beef cattle specialist for the brand. "If everyone procured cattle or had customers' cattle that reached that level, it would increase the quality across our industry."

How did the management team at Darnall Feedlot near Harrisburg, Neb., do it? They have many clues to share, and one easy solution to the puzzle.

"If you want to know our secret, feed cattle with us," says Lane Darnall, a fourth-

generation cattleman who runs the 24,000-head yard with his father, Gary Darnall.

With tight supplies, the Darnalls would like to employ new tactics for cattle recruitment, but promoting mystery isn't really one of them. Lane says being tight-lipped would not bode well for customers or consumers. Information sharing is the key to every segment's success.

Evidence of the cooperative boon: Darnall

Feedlot won the brand's Quality Focus Award for yards with more than 15,000-head capacity for the second time in three years, but they bested their 2010 mark of 33.3% CAB and Prime, which was measured on half as many cattle.

Gary and wife Emilie were planning to travel the 1,500 miles to the CAB annual conference, Sept. 19-21 in White Sulphur Springs, W.Va., to accept the award.

▶ "We'll have a phone conversation and initiate the thought process, where we'll start forecasting," Lane says, explaining their initial discussion with a customer. The prepared breakevens will showcase expected quality, efficiency and markets. "We'll let him look at that, and it will probably stimulate a couple more phone calls."



▶ **Above:** Customers at Darnall Feedyard, CAB's 2012 Quality Focus Award winner, are not just another number. Gary and Lane Darnall and the feedyard staff give each customer personal attention. "A rancher might bring you \$150,000 to \$200,000 worth of cattle and he's putting them in your care," Gary says. "He says, 'We trust you to make us money.' That's a big trust, and it could be his whole income for the year."

Not just a number

Some of the cattle they feed travel 400 or 500 miles to their feedyard, nestled in the midst of short-grass ranges and irrigated farm ground adjacent to sandstone bluffs. Before hoof meets truck or trailer floor, there's a two-way vetting process.

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Dee Johnson manages 1,500 cows near Edgerton, Wyo., and has retained ownership of both calves and yearlings with the Darnalls for the past five years. He remembers that initial correspondence with Gary Darnall as "honest, sincere."

"They treat their new customers just like the old," he says. "They've never been ones to paint a picture that is rosier than it should be. They've always said, 'Here is what can happen, and here is what you need to know and understand.'"

Once the feeders, the bankers and ranchers all agree the cattle are headed to the yard, the veterinarians and consulting nutritionists are brought into the intelligence loop.

"Probably the most important thing the rancher can do prior to the cattle getting here is have a good vaccination program," Gary says. "They have to have preparation before they come to the feedlot. That's critical — having an immune system set so they can handle the changes of environment and feed."

That's not to say that they don't take bawling calves. They just want to know what they're dealing with ahead of time.

"Yearlings aren't nearly as intensive as a weaned calf, and weaned calves aren't as intensive as bawling calves," Lane says. "Even yearlings from ranch A and ranch B aren't the same. They start on feed different. They have seen different amounts of feed. Some of them haven't seen humans but once or twice, and others have been ridden through on horseback every day, so every bunch of cattle is individual."

The pre-arrival investigative work helps both the cattle and customer.

Risk management

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Whether or not a producer is going to feed with the Darnalls, the two want them informed. That's why they've hosted the Nebraska Integrated Resource Management (IRM) Feedout for the last 15 years. The program allows ranchers to enter as few as five head for full individual carcass and performance data.

"We hope through the program that they get comfortable enough to evaluate breakevens," says Lane. "It's not so much that they come here, but that they have the knowledge to go out and look at their options."

Cattlemen get a taste of the terminology, risk management and everyday feedyard business. The experience culminates with an evening educational session to talk over data and industry trends.

Those pens are handled the same as any other at the yard, but Dykstra says that doesn't mean the workload is equal.

"If they have 35 consignors in one pen, that's like having an additional 35 customers in terms of the billing and accounting," he says. "That's a pretty big labor commitment to keep track of."

Not to mention receiving day and the actual coordination of the wrap-up event. Of

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course the feeders have help, with office manager Ruth Ammon taking the lead in recordkeeping.

"We are no better in managing the feedlot and ranch than the people we have working for us. ... Our employees are part of our family," Gary says.

That atmosphere has Johnson hooked. He's fed cattle in Texas and other parts of the country, but says he sticks with the Darnalls for the extra attention they give.

"I've fed at other yards where you're just a number. With [Darnall] you get the human touch along with a reality check. You know there is risk, of course, but you never get rewarded without risk," he says. "We are out here running big ranches without much help, and they help us with the risk management part so we're not just out there on a wing and a prayer. That's worth an awful lot."

Like many customers, Johnson talks over herd management, genetic selection and weaning with the Darnalls.

"Our customers are constantly evaluating how they can improve," Lane says.

Looking forward

The family's history in the cow business dates back to the homestead in the late 1800s, an enterprise that was the main focus even when the feedlot was built in the 1970s. Along with farming activities, the cows still give the men a good foundation for discussing strategies with customers.

"There is a pride within us ranchers that we want to produce better quality, and we have the tools to do it easier today than we did in the past," Gary says.

Expected progeny differences (EPDs) certainly help, but it goes beyond that.

"The genomics today are very exciting," he says. "It's probably the most exciting thing to happen in the cattle business in my lifetime. Being able to know what the genetics are by DNA and being able to use that to engineer our herds so, when we bring cattle into the feedlot, they're more predictable."

Other tools have been subtle, and unexpected.

"Ethanol byproducts are palatable, and so that has been a real asset in starting animals on feed," Gary says. "Getting cattle started is critical. You want them to eat and fill and gain as early as possible. I can tell you within the first couple weeks what the closeout will be. If they started on feed good and got good nutrition, their health will be better."

If only the markets and weather were that predictable, maybe they'd feel a little more at ease with pen space.

"The bottom line," Gary says, "is that we are fortunate to feed cattle for people that have the good genetics, the quality cattle that perform."

Case closed.



Editor's Note: *Miranda Reiman is assistant director of industry information for Certified Angus Beef LLC.*

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