



2012 CERTIFIED ANGUS BEEF

2012 Quality Focus Award, <15,000 head



Size Neutral, Quality Positive

This winner is so much more than a feed company.

Story & photos by **Steve Suther**

Virtual cattle feeders. Solution providers. Data crusaders. Value adders. Production teachers. Call them anything you want, but the company name is Performance Blenders LLC (PB), of Jackson, Mo.

The father-son team of Gerry and Geoff Shinn take their game to the country roads of Southeast Missouri every business day. Since last August, they've had 40-year extension cattle veteran Roger Eakins on the team as he moved into semi-retirement.

Their goal is to help beef cattle producers make more money by ramping up the quality in their herds and marketing finished cattle to reap the premiums. Performance Blenders, a Certified Angus Beef LLC (CAB) partner for just a couple of years, earned the 2012 CAB Quality Focus Award for yards with less than 15,000-head capacity. Actually, they have a lot

less capacity than that — only enough to fill a semi-trailer on load-out days. Gerry and Jane Shinn were planning to accept the award at the CAB annual conference, Sept. 19-21 in White Sulphur Springs, W.Va.

This is a unique company. The Shinn and Eakins respond to calls from their current customer base of some 130 relatively small farmer-feeders within an hour or so and help sort out finished cattle. Those will be delivered to their processing barn, all timed to join a mixed-ownership load headed to National Beef Packing Co., 750 miles west in Liberal or Dodge City, Kan.

That happens every week or two, so several hundred cattle with age- and source-verified, yellow PB lot tags sell on the U.S. Premium Beef (USPB) value-based grid each year. In the reporting period of June 2011

through May 2012, the CAB partner enrolled 507 head with the brand and achieved 84% Certified Angus Beef® (CAB®) or Prime, including more than 22% CAB Prime.

Those numbers are up a couple of points from last year, and nearly triple the CAB acceptance of the company's first year of aggregating loads in 2000. Moreover, PB operates a similar program that bundles more than 1,000 feeder cattle a year into Tiffany Cattle Co., a Herington, Kan., USPB feedlot, and has begun to consult on genetics.

There's a lot going on behind the office walls at the feedmill, within the remodeled mule barn and inside the minds of these virtual cattlemen. Yet, even within this southeast Missouri locality, many farmers are not clear about what that is.

"We still have some people ask if we sell

► **Above:** The goal of Performance Blenders LLC is to help beef cattle producers make more money by ramping up the quality in their herds and marketing finished cattle to reap the premiums. Pictured here are (from left) Geoff Shinn, customer Rick Aufdenberg, Gerry Shinn, and consultant Roger Eakins.



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some kind of ‘performance blender,’” says Geoff. Yet, the name stuck when his father started with the concept 25 years ago after European tours of duty in U.S. Naval intelligence and personnel, and then teaching college courses in production management back home.

Roots

When Geoff earned his own degree in ag business and animal science from Southeast Missouri State in 1998, it was time to expand beyond selling MoorMan’s feed. As that company reorganized toward its eventual merger under ADM Alliance Nutrition, the Shinns bought some feedmill equipment. They added a 130 × 50-foot commodity barn and mill with capabilities of mixing anything their customers could imagine, and more.

In those days, many hog and dairy customers remained, but that share was declining.

“A lot of the hog operations dried up because they wouldn’t change their marketing,” Gerry says. “I tried to get them to sell grade and yield instead of just when it rained and at a cash buying station.”

Father and son looked to the remaining beef cattle farms for greater stability, and resolved to work for greater market viability for their customers. They knew fellow cattleman and feed dealer Doug Laue, now at Council Grove, Kan., had helped start USPB, and operated the feedlot he would later sell to the Tiffany brothers.

Discussions with Laue led to leasing USPB



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marketing slots and later buying a few hundred shares of their own; 1999 was a busy year of building up to milling feed that fall and organizing to market cattle.

Eakins remembers one of his first serious discussions with Gerry.

“He asked if there was anything I could do that would help producers market cattle, and how could that fit with Show-Me Select, which had just held its first local auction in December ’98,” says the career extension specialist. “I was already working with several local producers on that program, so we just

got in the truck together and started riding around and talking to them, to see if they would be interested in sending finished cattle to U.S. Premium Beef.”

Mushrooming ideas

Eakins was gearing up for the next step in Show-Me Select, which was to stack genetics for predictability, and grid pricing would play a key role in measuring accuracy. Those heifers calved out predictable progeny that several area feeders routinely buy, feed and

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►More customers are measuring and using data now, but there is less focus on weaning weight, says Gerry Shinn (left), shown here with customer Keith Koenig. “If they are getting them harvested at 1,250 or 1,300 pounds at a year, then it becomes kind of immaterial to them whether they weaned at 600 or 650 pounds.”

ship on the aggregated PB loads when finished.

“It all kind of compounded,” he says. “In 2003, we had the first estrous synchronization trials in this region, and that mushroomed into this little pocket here that uses more artificial insemination (AI).”

Between field trials with timed AI and high-fat ADM feed supplements through his new partners, while still coordinating the area’s Show-Me Select Program, retirement is busy.

“Three jobs now, but they all fit,” Eakins says with a grin. “Adding value and keeping beef producers in business, that’s kind of my passion.”

It’s easy for Rick Aufdenberg, Jackson, Mo., to identify with stories of discovery and passion for the business. The family had finished cattle for a few years in 1980 when he bought in. For 20 years, marketing meant trucking them three hours to sell at one price on a live-cattle auction. He tried the new marketing option in 2001.

“We found out the Primes were worth \$350 per head more than average,” says the cattle feeder, who soon developed an interest in genetics and heat synchronization. “I got into some registered Angus and started using AI to breed for growth and carcass traits in my 70 cows, especially in the marbling area.”

Feeding up to 250 head per year, Aufdenberg figures about 25% graded Select that first year.

“Last year, out of 245 head, all but 15 were CAB or Prime, averaging \$100 per-head

Logic and logistics

The Performance Blenders LLC (PB) feeder-calf program could gain traction among producers across a wider area, those who can wean at home but lack the resources to finish them.

Eakins finds interest among the Show-Me Select clientele, and Geoff says it’s an alternative for inquiries from east of the Mississippi who call to ask about the CAB feedlot partner’s “feedlot.”

More than a decade after mastering the logistics of shipping finished cattle, the men find a new range of challenges and opportunities as feed and AI consulting enters the picture. Loads still go through processing and coordinated age and source verification with electronic ID at the Jackson, Mo., headquarters. There’s a range of ownership options from full to none with \$10 per head for the data and a share of the \$100 fee per load.

Exasperation sometimes sets in when a new customer signs on not wanting the data. That’s an alien concept to the PB crew, and they usually convince producers of the need for establishing a benchmark level.

Then there are those who are unreasonably confident based on former cash buyers’ glib assurances. One with crossbred steers from composite bulls said if his calves did not make 30% Prime,

“we should find a different feedyard,” Gerry recalls.

Still others have cattle that the Shinnis believe could actually make 30% Prime, but they are afraid to try something new; or the ranch that tries to get their calves looking thinner to top the auction market.

“We have the data on the tall, lean and compromised calves versus the healthy, fleshy kind, and we know the fleshy ones outgain and outgrade the skinny ones,” Gerry says.

There’s a world of education waiting to happen. Eakins says, “We are starting to get those calls from guys with questions, and that’s what we want, to be able to talk about solutions.”

Whether or not ranchers retain a share of ownership, calf value is established based on local auctions the week of shipment to Kansas, the week before, the week after or the three-week average. The PB system stands all death loss, so feed bills and other costs are prorated from carcass weights at the end.

“If you just send a few calves and one of them dies, you’re never going to try it again, so we take that risk out of it. You might say it hurts everybody else, but we play as a team,” Gerry says. “It makes more sense in the cow-calf world than in the feedlot world, but it’s still the best way for our producers to find the value differences in their cattle. Those can range up to \$500 per head or more, and you’d sure want to know which is which in your herd.”

Nobody can use the excuse, “we are too small to worry about carcass value differences,” Geoff says. “That’s just not true around here.”

The next challenge is to make the case with bigger operators, he adds, “guys with 500 to 1,000 cows, who buy top-quality Angus bulls but just sell at weaning because maybe they tried weaning once and had a wreck, so they wean today and sell tomorrow.” With so many miles to a sale barn and then a few hundred miles to a feedlot, somebody could still have a wreck with them.

With good genetics, often all Angus, but no fine-tuning, no vaccinations or weaning program, such producers have no way to add value.

“Low risk is the highest calling, and some of the hardest cases are those with outside interests who don’t see the profit potential in their cattle,” Gerry says. “An outfit with 1,000 cows may be leaving \$100,000 on the table, or even \$200,000 if you include what they could do with the heifers.”

Profit becomes much more reliable with a blend of performance and data that keeps it moving forward, down the high road to increased consumer demand for beef.



►Left: Nobody can use the excuse, “we are too small to worry about carcass value differences,” Geoff says. “That’s just not true around here.”

premiums,” he says, adding he’s not sure if he’d be in business now were it not for Performance Blenders, which also customizes his corn-based rations through low-labor self-feeders. He shares data with sources, which helps explain the quality trend.

Small but good

Most of the local feeders stay with corn because that’s what they have, not distillers’ grains and not ground hay.

“They just put the corn out there and let ‘em eat,” Eakins says, but that’s not to say the people or cattle are behind the times.

“We’ve had some 11-month-old cattle on our loads that have been pushed, not many days on maintenance,” he notes. One 1,450-pound (lb.) steer out of a Show-Me Select heifer was a day over a year and Prime.

“That’s straight Angus,” he adds. “It can be done.”

Among the four owners in the inaugural load were Keith and Elmer Koenig, of Burfordville, Mo. The family grazes 50 cows and feeds their calves each year on a rocky slope west of the barn.

“Having cattle on that first load,” Keith says, “I wear that like a little badge.”

He is customer No. 3 on the PB list that now numbers up to No. 160, though his part in the first load was denoted by initials. Customers started guessing what initials meant, Gerry explains.

Koenig’s progress is one example of what applied data feedback can do over time. Geoff maintains a spreadsheet with data on each of the 13,420 head finished locally and sent on 353 loads since 2000. In five minutes, he can call up any producer’s numbers.

Geoff knows the Koenig cattle were above average quality to start. They had 32% CAB and Prime in the first three years, with 14% of that Prime and premiums of nearly \$39 per head. The last three years have improved to 78% CAB, including 41% Prime, with premiums of nearly \$125 per head.

The carcasses weigh about the same, and feed conversion has not changed.

“You’re putting in the same amount of feed, but you’re getting the extra \$85,” Geoff notes. “And you’re still with us a decade later.”

At 706 lb. per carcass, the Koenig cattle are not the heaviest on those semi-loads, but freight is billed according to carcass weight rather than head count.

More customers are measuring and using data now, but there is less focus on weaning weight, says Gerry. “If they are getting them harvested at 1,250 or 1,300 pounds at a year, then it becomes kind of immaterial to them whether they weaned at 600 or 650 pounds.”

Road to leadership

Local cattlemen have a unique advantage in being able to produce for the end product, and even cull heifers can work into those loads and earn hundreds of dollars in premiums.

“Our program fits here because we are a long ways from packers and other feedlots,” Eakins says. He’s had limited luck getting producers to cooperate in the past 40 years because of their independent nature.

“The trick is to understand the personalities, promote a good idea and lead them ... then put the risk factor in with the motivation and follow through,” he says. “You have to be honest about it because, data are data, and you just have to look at it the way it is.”

Numbers can tell a story of the road PB and customers have traveled, but there’s more to that imagery.

“We were just starting down a road and had no idea where it was going to go,” Gerry says. “My dad used to say, ‘I don’t know where I’m at, but I’m not lost.’ Well, sometimes we thought we were lost.”

Through the ups and downs, the program grew. Thirty loads in its first full year of 2001 saw 21.3% of the 1,123 cattle make CAB, but less than 70% were black. Today, 90% are black and 95% of those are high-percentage Angus.

“The more I worked on it, the more I thought we could keep following the road,” Gerry says. “Last year, after Roger retired to half-time Extension, I tried to put another lane on it.”

Maybe the feeder-calf program had been a parallel service road since 2005, but backgrounding, genetics and AI advice were no more than occasional pullovers. Now, there’s a more integrated approach.

“It’s no passing lane — maybe just a slow-moving-vehicle lane, but we’re going the right way,” he says.



Editor’s Note: *Steve Suther is director of industry information at Certified Angus Beef LLC.*