

Risky Business

► “We have to embrace technology, but do consumers like technology? Not really,” said Brad Morgan, adding that producers carry the burden of relating their practices to the public and pleasing that ultimate consumer.



Forum participants find ways around obstacles, in both the short and long term.

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

Cattle feeders know their business is full of risks. At the 2014 Feeding Quality Forum, in late August in Kearney, Neb., and Amarillo, Texas, attendees learned more about immediate and long-term threats to profitability.

The “bio boom” is over, global meat consumption is flat and grain supplies are up, Dan Basse, president of AgResource Co., said. He predicts a 14-billion-bushel (bu.) crop this fall and an average 2014-2015 price of \$3.60 per bu.

“We’re back to waiting for a significant climatic event to cause a rally,” Basse said.

With feed costs under control, the real risk turns to cattle supplies.

“The market is screaming for feeder calves,” the analyst said. It’s going to take five to seven years for herd rebuilding to catch up with demand and for profitability to return to the feeding sector. “Cows hold the opportunity.”

Scott Brown, ag economist with the University of Missouri, said during herd

rebuilding, the numbers show that it pays to focus on not only building quantity, but quality.

“Statistically pork and chicken make better substitutions in the Select market,” he said. “We don’t see the same substitution competition for Choice and Prime.”

A 10% increase in Prime prices equates to very little change in consumption, but that same 10% increase in Select price moves the consumption down at a much quicker pace.

“Quality can become a risk-management



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► Fred Vocasek of Servi-Tech talked about the importance of feed testing.

tool for the industry in the long run,” he said. “Investment in the genetics of that herd will pay dividends.”

When feeders get good cattle into the yard, it’s important to take care of all of the details to make sure they’ll live up to their potential.

Fred Vocasek, senior laboratory agronomist with Servi-Tech, talked about the importance of feed testing.

“Too many people just go by the NRC [Nutrient Requirements of Beef Cattle] tables and assume corn silage is average,” Vocasek said. “Our data shows it ranges from about 7.5% to 9% crude protein, and there are other differences as well. On many grains and feedstuffs, we can look up an average range over time by the first three numbers in a zip code, so a producer can see where his feed ranks in the area.”

It’s important for feeders to know these variables, he said, as the content of each load could vary widely, especially if equipment fails to provide an even delivery to the bunk.

Find, keep good employees

Employee skill and dedication are also important factors when it comes to consistent cattle care. A panel of feeders discussed hiring and retention, sharing their tips for keeping the best talent on the team.

Nebraskans Anne Burkholder of Will Feed Inc. and John Schroeder of Darr Feedlot joined Canadian Leighton Kolk on the Kearney panel. In Amarillo it was Panhandle area managers Ben Fort of Quien Sabe Feeders and Kevin Hazelwood of Cactus Feeders.

“Employees want to know that what they say matters,” Burkholder said. All panelists said successful manager-employee relationships include good communication, clear expectations and a way to provide feedback.

It’s also important to pay feedlot workers



► Topper Thorpe (second from left), longtime CattleFax CEO, accepted the 2014 Industry Achievement Award during the 2014 Feeding Quality Forum.

enough to have a good quality of life, Burkholder said.

Some feeders rely on websites and job listings, others on university connections and other networks, but many agreed with Fort: “Good employees come from good employees. My last choice is to advertise for help.”

Customer confidence

Communication isn’t just important within a business or an industry. It’s an especially effective hedging tool in the quest to maintain consumer confidence in beef, said Brad Morgan, Zoetis meat scientist.

“We have to embrace technology, but do consumers like technology? Not really,” he said, mostly attributing that to their lack of experience with technology as it relates to food.

The United Kingdom provides a case study of what happens when popular opinion pushes a country toward unsustainable models. A recent study noted

if they were to only eat food produced within their borders, the British would run out by Aug. 14 each year.

“Most countries that have been successful over time have been able to feed themselves,” Morgan said. The burden is on producers to relate their practices to the public and to please that ultimate consumer.

“Demand is there for premium-type programs that are going to perform,” he said.

As a program highlight before lunch, Topper Thorpe, longtime CattleFax CEO, accepted the 2014 Industry Achievement Award.

The forum was sponsored by Purina, *Feedlot* magazine, Zoetis, Roto-Mix and Certified Angus Beef LLC. More information will be available soon at www.cabpartners.com.



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



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► A panel of feeders discussed hiring and retention, sharing their tips for keeping the best talent on the team. Pictured above (from left) Leighton Kolk, Anne Burkholder and John Schroeder constituted the Nebraska panel, while Ben Fort and Kevin Hazelwood were panelists in Texas.