

# Roll With the Punches

Story & photos by **Miranda Reiman**

**C**hange creates opportunities. It generates challenges. But above all, it is inevitable.

Cattle feeders know all that, but if they attended the Feeding Quality Forum, they learned a good bit more to help deal with everything from evolving regulations to soaring input costs.

Purina Land O'Lakes, Pfizer Animal Health, Certified Angus Beef LLC (CAB) and *Feedlot* magazine teamed up to host the meetings Aug. 23 in Omaha, Neb., and Aug. 25 in Garden City, Kan.

Dan Basse, president of AgResource Co., said his message is similar to last year, only more so. Weather and other factors have intensified the competition for feedstuffs.

Despite predictions of record-high fed-cattle prices, Basse warned, "Only those of you who had 'vision' on feed will make money or hold on to your balance-sheet equity. Feed is that important, both in terms of forage and grain."

Low beef ending stocks, combined with increased exports, will propel beef prices higher, even though domestic consumption is somewhat lackluster, he said.

"Longer-term, we are quite bullish on the cattle market," he added. "The questions we have are how many cattle will be placed and put into lots because of the Southern



► Even with record-high fed-cattle prices, cattlemen needed vision on feed costs to maintain balance-sheet equity, said Dan Basse, AgResource Co.

drought, and when will that end in terms of cow slaughter? Those are things that are just month to month."

Producers weighing cost of gain against days on feed may want to consider research from Professional Cattle Consultants (PCC).  
"As we're looking at increased ration prices, we need to rethink the live-versus-carcass decision," said Shawn Walter, market analyst and PCC owner. "It's not a question of grade and premiums and discounts today. More weight offsets opportunity or loss on a grid basis, so I can make a decision: 'Do I have to sell cattle on a live basis today, or can I put another 40 to 60 days on them and sell on a grid?'"

That represents a shift in thinking. As corn price increases, conventional wisdom said days on feed should decrease in response. Walter noted it's cheaper to add weight to cattle already in

the yard than to bring new ones in. As they get heavier, a greater proportion of those pounds goes toward the carcass — and there's the added benefit of better carcass quality.

## Improving the grade

Over the past three years, that grading line has trended strongly upward. Glen Dolezal, Cargill Meat Solutions, said most of that can be attributed to better genetics and feeding strategies. But there are things producers can do to keep it on an upward climb.

"We encourage judicious use of growth promotants," he said, rather than aggressive use.

Dolezal also reviewed the use of camera grading, which he called "a huge win, a huge success story."

Technology is not the only area that's changing for livestock producers. A new generation is entering the workforce and these young people are bringing new ideas, values and priorities along with them.

Don Tyler, a management coach and founder of Tyler & Associates, said one way to engage this group is to inspire them.

"We have to explain to them why what we do is important," he said. "We can help them understand the industry, how many people we feed in a day."



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Strategic plans, communication, training and rewards all help develop a sense of team and are good practices for managing employees of any age.

### Dealing with regulations

Good marketing and improved management won't mean much if feeders are regulated out of business. In their respective states, Kristen Koch, Nebraska Cattlemen; and Clayton Huseman, Kansas Livestock Association, covered the environmental landscape of cattle feeding.

They pointed out that the industry is actually ahead of the environmental curve but could do a better job of spreading the word.

"We're increasing our efficiencies, increasing our output and literally minimizing our environmental impact," Koch said. "The bad news is we've got a couple things holding us back and one is public perception. Second, misinformation is quite rampant."

Those problems can lead government to

respond with what most cattle feeders see as another problem: more regulations.

"Ours is the most heavily regulated industry in the country," Huseman said, "and it's only getting tighter." He provided an overview of regulations that work, those that don't and those that may be coming, with

insight on how to adapt.

The lunch program honored feeding veteran Max Deets, Beloit, Kan., for his years of service to the beef business. The 2011 Industry Achievement Award honoree attended both meetings, along with 130 cattle feeders and other professionals.

"He has always believed in the potential of evaluating genetic

progress of animals and the importance of working with the cow-calf producer and all segments of the industry," said CAB's Larry Corah, while presenting the customized branding iron. "Beyond believing, he took it to action."

More information and proceedings will be posted when available at [www.CABpartners.com](http://www.CABpartners.com).

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