

Joining the Ranks

Industry newcomers work out at Cattlemen's Boot Camp and Angus Skills Lab.

Story & photos by *Meghan Soderstrom*

Academic and industry professionals put new recruits to the cattle industry through their paces at the first Cattlemen's Boot Camp at Colorado State University (CSU) Oct. 20-21. Sponsored by the Angus Foundation, this interactive educational program attracted commercial producers, seedstock breeders and cattle enthusiasts from 14 states.

Hands-on activities offered participants a chance to learn new skills and sharpen existing ones related to genetic selection, health and nutrition, and general cattle management. Speakers focused on creating

and communicating value through marketing programs and improved management techniques. The program, a partnership between the American Angus Association and CSU, took place at the CSU Agricultural Research, Development and Education Center (ARDEC).



condition scoring, and using performance data.

CSU staff and student employees focused on safety and technique when leading the workshops.

"The biggest mistake I see cattlemen of all experience levels make is that they try to process cattle too fast. Newcomers seem to think they need to do things fast, but they'll really be much more accurate and efficient if they just slow down," Casey Thompson, an ARDEC employee, said.

Workshop leaders also stressed the value of measurements and documentation.

"You can't just guess — especially when it comes to weights. You'd be surprised how much even an experienced cattleman can be off when trying to estimate cattle weight and age," Tom Field, CSU animal science professor, said.

"Written records are essential," Field continued. "They must be accurate."

Reinvest in the industry

For the first time in nearly a decade, cattle producers are reinvesting in the industry, said Dave Weaber, director of market analysis at Swift & Co., in kicking off the Cattlemen's Boot Camp program Thursday afternoon.

"Three-quarters of U.S. herds are trying to expand right now," Weaber said. "Slaughtered heifers have decreased 4%. ... With current prices, producers can retain more females and still have enough cash flow from selling calves."

U.S. cattle inventory charts show a steady decrease from 1996 to 2003, but an upward trend started in 2004. Weaber predicts cattle inventories will continue to increase during the next few years. As can be expected, when producers rebuild their herds, the number of harvested cattle usually decreases. "We don't have enough feeder cattle right now," he said.

Consumers are also feeling pinched. As their purse strings continue to tighten, Weaber predicts restaurant sales will decrease and retail sales will increase because more consumers will eat at home. Weaber believes the demand index shows that consumers are willing to pay for beef.

He says the industry is "chasing Choice" and looking for more red meat yield to please consumers. There are premiums to be earned on Yield Grade (YG) 1s and 2s, he said.



Skill-building at the Angus Skills Lab

An Angus Skills Lab Thursday morning allowed new Angus members to roll up their sleeves, put on rubber gloves and get down to work. Attendees watched demonstrations, then applied their new knowledge in a variety of skill areas. They practiced applying tattoos and freeze brands, using ultrasound and artificial insemination (AI) equipment, processing and weighing, body



► Reaching inside a fistulated heifer's rumen, attendees begin to understand the rumen's 50+-gallon capacity.



► Gathered around a microscope, Skills Lab attendees watch the screen come to life with microbial activity from the rumen sample they just retrieved from a fistulated heifer.



► **Left and below:** Skills Lab attendees are familiarized with the female reproductive system and AI equipment before pulling on the AI gloves and trying it themselves.

Weaver strongly recommended cattlemen get back data on their cattle from packers.

“Carcass data is always worthwhile. Sometimes it’s hard to look at the numbers, but it makes you better,” he said. “You do a better job of figuring out which cows are making you money.”

The value chain

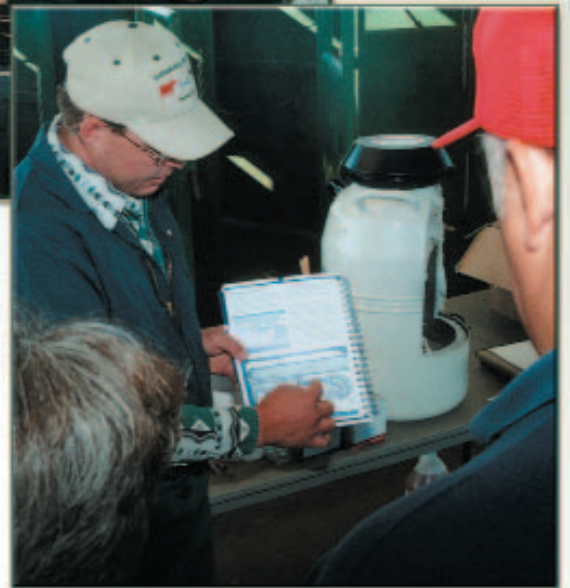
“Structured changes are transforming the industry from commodity-oriented to consumer-driven production systems,” Daryl Tatum, CSU animal science professor, told Boot Camp attendees. “Don’t think of the market as a supply chain anymore — think of it as a value chain.”

In 2003, the U.S.’s global beef market share was 18%. By 2004, that number dropped to 3%. Domestically, beef market share has

decreased, while chicken’s share has doubled. Tatum reported that the beef demand index has increased and said the cattle industry must continue to add value to their products.

“Vertically aligned chains emerge because they are responsive to consumer needs, involve coordination of management practices that add

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► Daryl Tatum, CSU professor, told attendees to think of the supply chain as a value chain.



► The sight of 100 pounds of trim waste reconfirmed the importance of yield grades.



► Placement is a key factor in tag retention. Qualified cattle with AngusSource tags give buyers confidence that the animal has valuable genetics and has been source- and group age-verified, explains Ty Groshans, Association assistant director of commercial programs.



► **Above:** Travis Hoffman, CSU Beef Quality Assurance coordinator, explains yield and quality grade components of one of four carcasses that were harvested for a teaching resource during the Boot Camp.

► **Right:** Hoffman explains to participants the importance of proper management and injection procedures by showing them a beef cut that has been damaged by improperly vaccinating.

value [and] create efficiency, and they allow quality and safety to be monitored and maintained,” Tatum explained.

He said the cattle industry must create products that have greater value — whether it is real or perceived value — because they will bring higher prices.

Tatum gave producers these tips on creating and capturing value:

- Consider retained ownership. Identify genotypes that perform in all segments of the chain, and own them further into the chain to capture the value you’ve created.
- Use management practices that create value. Look at labels in the retail case, and consider their branded value such as source- and age-verified, or hormone and antibiotic free. Be sure your management practices are monitored and verifiable.
- Capitalize on the value and power of information. Create and maintain auditable information traits to differentiate and authenticate your product. Use data to guide your decisions.
- Network with others in the industry.

Industry education

Thursday afternoon brought more interactive stations. YGs, quality grades (QGs) and dollar value indexes (\$Values) were explained. Then attendees analyzed four carcasses to see how those numbers translated into saleable product. Attendees were walked through a number of forms and reports, including kill sheets and feedlot closeouts. Program representatives explained Beef Quality Assurance (BQA)

guidelines, AngusSourceSM and the *Certified Angus Beef*[®] (CAB[®]) brand and

encouraged attendees to take advantage of the value that comes from participating in these programs.

Patty Alexander, a Longmont, Colo., cow-calf producer, said the CAB program influenced her employer’s decision

to start raising Angus. After the conference she said, “The AngusSource program adds value” and that she “definitely wants to be a part of it.”

Customer focus

Then came time for a little self-reflection. Attendees ranked traits of importance relative to the profitability of their herd, then ranked the traits they perceived were most important to their immediate customers.

Field separated results by enterprise type, then compared them to see how each segment matched up. The similarity of the results was both surprising and encouraging. Commercial cow-calf producers ranked calving ease, weaning weight and milk production as the top three most important traits to their profitability. By comparison, seedstock breeders perceived that weaning weight, calving ease and birth weight were the top three most important traits to their cow-calf customers.

Field said this showed “there is more sharing of information in the supply chain than ever before in history.” But, he continued, “We’re still behind. Communication must continue.”





► **Left and below:** Though the competition was tough, attendees were all smiles as they gave their bidding signals to members of CSU's Seedstock Merchandising Team who served as ringmen for the mock auction.

Sale time

Thursday evening, after a delicious prime rib meal catered by the CSU Meats Judging Team, Boot Camp attendees put into practice what they'd learned throughout the day. After another crash course in expected progeny differences (EPDs) and more detail on \$Values, cattlemen formed small groups to analyze the strengths and weaknesses of a hypothetical herd. Armed with a new appreciation for performance numbers, they scrutinized a sale book looking for sires to complement their herds. The groups then competed against each other in a mock auction.

But, of course, there was a catch. Before bidding, each group — a diverse mix of cow-calf producers, seedstock breeders, feeders and packers — had to agree on their top three sire picks and settle on the maximum price they'd pay for each. The group that bought their top-choice bull for the lowest price won.

"This really forced us to talk to each other about our needs, and I can see how doing this (talking with other links in the supply chain) could be really helpful. It was a lot easier to make decisions with the data and with group input," said Toni MacDonald, a cow-calf producer from Lucerne Valley, Calif.

Tips for marketing success

A marketing panel concluded the Boot Camp on Friday. Here are some tidbits of wisdom offered by three of the panelists:

Panelist 1: "Create brand equity. Your ranch is your brand," Troy Marshall, editor and publisher of *Seedstock Digest*, said. To

develop your marketing program, he offered four steps.

- Write one page about who your company is, then condense it to 25 words.
- List three ways you're unique to your customers.
- Name your top competitors, and evaluate their strengths and weaknesses.
- Identify three ways you are distinct from your competitors.

Panelist 2: Jenny Giles, whose family was the first consignor to be a part of the Profit Proven sale, offered advice on having a female sale.

- Offer uniform packages with consistent genetics that are sorted for size.
- Hire an advertising expert if you're hoping to draw buyers from multiple states.
- Sell only what you would want to buy back yourself.
- Add value. Use AI, freeze brands, source verification and consistent health programs.
- Follow up with customers after the sale.

Panelist 3: "If you're a commercial producer, you have to create a product that a lot of people want," said Tom Brink, vice president of cattle ownership and risk management for Fiver Rivers Ranch Cattle Feeding. And, he knows what a lot of people want. A survey of feedlot managers from Five Rivers, now the largest cattle-feeding operation in the world, revealed that a 50%-75% Angus animal balanced with Continental genetics was most desirable in the market.



► Jim Shirley, director of commercial programs for the American Angus Association, provides an overview of how to add value through marketing strategies.

