

Nice Guys Finish First



►By sorting to optimize beef quality, Terry (left) and Rick Beller maintain nearly 21% *Certified Angus Beef*® acceptance rate across thousands of enrollments.

Nebraska family wins CAB 2003 Feedlot Partner of the Year, less than 20,000 head.

Story & photos by **Steve Suther**

Take a feedlot built on finishing the best Angus cattle. Add a linkage to Certified Angus Beef LLC (CAB) as a licensed partner. Watch the best get better.

Beller Feedlots, Lindsay, Neb., was recently named 2003 CAB Feedlot Partner of the Year among yards with less than a 20,000-head capacity.

"This feedlot is everything CAB staff can imagine," says Turk Stovall, CAB assistant supply development director. "We want our partner yards to work with ranchers to maximize the value in Angus genetics. That's what these guys do."

Beller Feedlots is unique among those honored with annual CAB feedlot awards because it has almost no retained ownership business, preferring to own the cattle. "We do a little partnering," Terry Beller says. "But we own 90% of the cattle we feed, and we didn't get where we are by custom feeding."

Where they are is in the position of owning and managing a successful family farm. Jim and Mary Beller started feeding cattle 45 years ago, handing the reins of a 1,500-head yard to their sons, Terry and Rick, in 1985. The

brothers began modernizing and expanding the feedlot to handle three times as many cattle with 10 times the information, half the labor and a new focus on high-quality Angus cattle.

One-time capacity is nearly 5,000 head, but they enrolled nearly 7,000 head in the CAB feedlot program last year. The feedlot achieved the fifth-highest ranking for volume of CAB-

accepted cattle among all 80 feedlots, Stovall notes, "particularly amazing for a feedlot of that size." Beller also has one of the highest *Certified Angus Beef*® (CAB®) acceptance rates overall, near 21%.

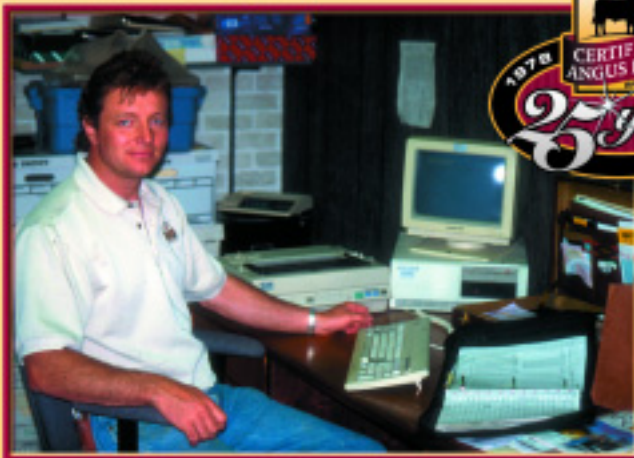
"Other yards noted for volume are doing it with five to 10 times their capacity," Stovall says. "However, this award is not for volume, but excellence. To be eligible, a CAB feedlot must first be a Feedlot of the Month. Terry has the distinction of also having been a CAB Quality Assurance (QA) Officer of the Month in the last year — that shows his attention to detail, communicating with CAB and his packer buyers to make sure the right data stays with each calf."

Jim brought his sons up right, teaching them that procuring the best Angus cattle means building relationships. That meant looking at the cattle business in a unique way. Terry and Rick learned service after the sale from the buyer's side. Terry credits "two of the best" — Eugene Felber, with 12 years experience, and Scott Nelson, a hand since 1998 — for allowing the family to pursue customer service. "If we were gone, even a year, they could just take over and run it," he says.

To borrow from the Kennedy lectionary, some feeders see changes in the industry and ask why. The Bellers saw needed changes and asked, why not?

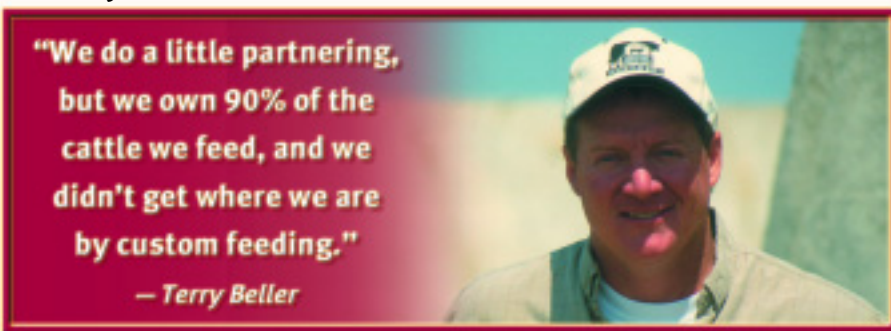
"We're always looking for the better Angus

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cattle, because they show up at the end on our bottom line,” Rick says. He and Terry realized their history of 100% ownership was a huge advantage in opening doors to more Angus ranch business. “A lot of feedlots will partner at 50%,” Terry notes. “We prefer to hold it to 10% to 20% because we like to keep our equity flowing. Sometimes we’ll sell that interest to a neighbor who wants to feed, and we will go up to 50:50 if a rancher wants to.”

Among those who prefer holding onto that greater share of ownership is Cohagen, Mont., producer Chuck Pluhar, CAB 1993 Commercial Commitment to Excellence Award winner and current Beller customer. His family breeds more than 1,000 registered and commercial Angus females each year. This fall marks the fourth calf crop sent to the Nebraska feedlot.

Pluhar appreciates the spirit of partnership that has grown throughout those years. He echoes the Bellers in describing a key to that success: “We don’t blame each other. When problems come up — such as the health challenge we had last year — we work together to find answers and look to the future.” In that case, a postmortem examination isolated a strain of respiratory disease, which Pluhar took care to vaccinate for this year. “Their communication with us has been excellent,” he says.

That’s true regardless of ownership status. “Ranchers love to feed with Bellers because they get full data back — whether or not they retain an ownership interest,” Stovall says. “Then they can make adjustments so that a greater percentage of future cattle harvested achieve CAB acceptance.”

“We share everything — and have for six or seven years,” Terry says. “A lot of feedlots say, ‘Why in the world would you do that, giving away your secrets?’ But how are the ranchers going to improve if they don’t know what to improve on? Whether it’s grading or performance, there are plenty of bulls out there to pick from. They need something to help them with the decisions.”

“Why would we share information?

Because the only way we can improve on the finished product is if they start on their end first,” Rick says. The Bellers rely on the honor system for ranchers to keep quiet on asking prices. Their only condition in sharing is that ranchers not use it against them selling the next calf crop.

“You can’t say, look, my cattle return \$40 more on the grid [than some do], and I want half of that,” Rick says. “Nobody has done that, and we’re still doing business with all those we’ve shared with.”

“They want us to come back. They don’t want to have to go out looking for new buyers every year, and they know we will be here,” Terry says. A producer gathers information on current prices and opens with an asking price; then Beller tells them what they can pay. “Usually we do a little arm wrestling,” he adds. “But we agree on a price. One year a guy we started with took \$2 less per hundredweight to sell to us so he could get the data.”

Myron Beatty, Morrill, Neb., admits he wondered why the Bellers gave him

“everything” back in terms of information when he retained no share in ownership. “I appreciate the heck out of it, though,” he says. Beatty runs 700 commercial and registered Angus cows near the Wyoming border, along with son-in-law Larry Jacobsen. They have another 300 cows out on shares.

Jim Beller started buying calves from them six years ago and, Beatty says, “It was one of the best things that ever happened to us. We have sold direct to Bellers every year, and there have been no problems. If all cattle deals were as good as this, there wouldn’t be any problems in agriculture. They do everything they can for us.”

Before licensing with CAB, Beller relayed information gleaned from harvest summaries, mainly from Excel Corp. and ConAgra Foods.

“I had to go back through all the papers and pull together reports,” Terry recalls. “Now that we are CAB licensed, all I have to do is enroll them, and it’s just a load off my mind. We have CAB send it directly to our customers, and that makes my book work a lot simpler.”

“The information we get back helps us in culling our cattle herd,” Beatty says. “We can see how we’re doing. We certainly have made great efforts to get more carcass bull bloodlines — we have to do that or be left behind. The Angus breed’s got the step on the other cattle right now, but we have to work hard to keep it that way.”

Beatty, who once finished his steers on the ranch, considered retained ownership. “But



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we've been plumb satisfied with the price [calculated on a two-way weight slide]. If we do retain ownership, it will be with them." Beller's fourth-highest pen of CAB partner-fed steers in last year's Best of *the Breed* (BoB) contest came from Beatty and posted a 66% rate for CAB or Prime. The next generation is in this year's National Angus Carcass Challenge (NACC).

Although the Bellers have been returning data since 1997, it's too soon to see significant changes from genetic corrections. "I hope everybody is paying attention to the ribeye scores, but not many customers have seen individual data yet," Rick says. A few, like the Beatty's, have asked for it. Some set quality production floors so that if a cow doesn't produce one Choice calf in three years, she's out.

"We've seen improved consistency over those years, and some guys are ready to kick it up to a new level," Terry says. The premiums are growing, and he knows why. "CAB is the most consistent, highest-quality beef you can buy, and consumers want more of it. We have bought and shipped it to people we do business with, and every time it's just nothing but good."

The Beller family cherishes most of their business connections like friendships. In particular, they tour Montana "four or five times a year," Terry says. "It's good to know the guys we deal with, like doing business with friends."

For the last three years the family has hosted a Montana CAB dinner for current and prospective customers and beef industry contacts. "Last year they used the occasion to allow customers to discuss the year's feeding results and individual carcass data," Stovall says. "Everyone went away charged up about what the coming years will bring."

A story illustrates how business leads to admiration and friendship.

"We started buying from a Montana ranch in 2000," Terry says. "After I had the truck loaded, the 82-year-old rancher asked what he could do to improve his calves. I was amazed at how much he cared about quality, but I advised preconditioning shots. Somehow, with family help they did it."

"The next year it was, 'What more can we do?' Weaning four to six weeks on the ranch is the next step, I said — we're pushing for 100% weaned on all our cattle now — but they had no facilities, so I didn't think they could do it," Terry says. "Last fall I went up there to find they had invested \$15,000 in facilities and all the calves were weaned."

The Bellers know all about the Texas data on the effect of sickness at weaning.

"Our own data proves it," Rick says. "The losses show up on rate of gain, where the leaders are always weaned calves. The calves with a history of treatment also tend to have lower quality grades. A rancher can't improve on genetics quickly, but he can improve his management."

When it comes to quality, Beller Feedlots

is all business. But it's business with a warm, fuzzy edge.

"So many people think that to make a living they have to take advantage of another man," Beatty says. "They don't operate that way. They want quality, and they sell quality — they *are* quality. I appreciate the advantage of dealing with them."

