

Reputation and Reward

Through participation in the Pacesetter Beef Alliance, producers are seeking both.

Story & photos by **Troy Smith**

It was no secret, but neither did Wayne and Chris McGilvray go out of their way to attract publicity. They, along with fellow Texas cattleman Scott Weatherford, thought it best to avoid attracting too much attention too soon. They would wait until the time was right to make some noise.

It was 2007 when the McGilvrays and Weatherford put wheels under the Pacesetter Beef Alliance LLC and set it into motion. Actually, they had been working on the vehicle for two years already — assembling the parts and pieces of a feeder cattle merchandising machine. They started modestly and quietly to implement a plan for enhancing the appeal of Pacesetter participants' cattle. Earning a reputation for quality always was an objective.

"We didn't want to start with a big bang and then fizzle out, so we tried to work out the bugs before drawing too much attention to ourselves," explains Wayne McGilvray who, with son Chris, operates Highlander Angus Ranch, near Hamilton. "But now, we're well into our second year of selling Pacesetter members' cattle, with sales totaling over \$750,000. Through the alliance, our members are earning a reputation. Most of them seem pretty happy with the way things are progressing. They're making more money



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selling collectively than by selling individually through a sale barn."

What pushed McGilvray toward organizing Pacesetter was the lack of marketing options for producers managing modest commercial herds. That description fits a fair number of central-Texas producers using Highlander Angus Ranch bulls. Even among those who invest in respectable genetics and management, marketing opportunities are limited because they sell relatively small groups of calves. Numbers make a difference, and ranchers capable of selling cattle in truckload lots generally attract more buyer attention.

"But we were interested in helping even smaller producers get rewarded for producing the better kind of cattle that should earn premium prices," McGilvray says, admitting that his motives are at least a little bit self-serving.

"If they are rewarded, it should be an incentive to keep improving by buying better bulls — hopefully from us," he grins. "But that's not a prerequisite to joining the alliance."

Of course, there are requirements that must be met. Participating producers' calves must be sired by registered Angus bulls and without dairy or Longhorn influence. Calves must be age- and source-verified, preferably documented through the AngusSource® program. Additionally, calves must be vaccinated according to the accepted protocol, weaned for at least 45 days, and tested free of persistent infection (PI) with bovine viral diarrhea (BVD) before they can be marketed under the Pacesetter name.

"We're not just pooling cattle to sell in load lots," Weatherford states. "We're trying to offer quality — calves that represent good genetics and management that adds value. We also look for premiums available from 'natural' markets by avoiding growth hormones and antibiotics."

Weatherford ranches near Hamilton and has considerable experience buying calves for stocker programs. McGilvray says Weatherford's honest eye for cattle and thorough understanding of the market make him a good fit for marketing director.

As Pacesetter's primary liaison, Weatherford provides the legwork and telephone time devoted to contacting potential buyers. He is responsible for



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coordinating deliveries of cattle and sorting commingled calves into uniform packages, by size and sex. Weatherford also relates easily to other commercial producers. Another valuable trait is his persistence.

Persistence pays

Weatherford didn't give up easily when producers balked at joining the fledgling Pacesetter program. Most were accustomed to selling bawling, unweaned calves at a local auction. They were reluctant to invest more effort and money in "adding value" to their calves.

"They were skeptical at first, but I told them they would be rewarded if we all worked together and marketed the cattle right," Weatherford says.

Typically, cattle meeting Pacesetter criteria are sold at about 700 pounds (lb.). The Superior Livestock Auction video sales have been a frequent marketing avenue, but as the alliance has gained recognition for quality offerings, some cattle have been sold at private treaty. Producers deliver their calves to a centrally located collection site. The facility, provided by one of Pacesetter's members, offers ample pens and a state-certified scale. Generally, calves arrive at the site one day —

for packaging — and are shipped to buyers on the next day. Buyers make payment to Pacesetter Beef Alliance, and proceeds are divided among individual members.

Beef Marketing Group (BMG) has been a frequent buyer. A consortium of Kansas and Nebraska feedyards, BMG targets high-quality feeder cattle that meet specifications for branded beef programs serving both domestic and foreign markets.

Another of Weatherford's chores is tracking down feedlot performance and carcass data. That information, when returned to Pacesetter members, can aid in future genetic selection.

The generally high carcass quality exhibited by Pacesetter cattle this early in the game has surprised some members. Recently retrieved information on a group of 280 head showed 96% of the cattle graded Choice or better, with 56% qualifying for the *Certified Angus Beef*® (CAB®) brand.

Rewards are real

Collectively, what all of this means is that measures to upgrade members' calves really are being rewarded. Compared to their previous selling methods, Weatherford cites an improvement of \$35-\$40 per head due to reduced shrink. When higher selling prices are figured in, some members are receiving as much as \$150-\$200 more.

Linda and Travis Branham appreciate the prices they have been receiving. The Stephenville couple was among the first producers to join Pacesetter Beef Alliance. For close to 15 years, they had been using Angus bulls chosen for balanced genetics, including positive carcass traits. However, their calves were too few in number to attract quality-minded buyers to the farm. And those buyers weren't always present at the auction barn.

Now the Branhams are enjoying some premiums, through collective marketing, but they also appreciate the data they receive.

"The feedlot and carcass information tells us we've been heading in the right direction, genetically. And it's helping show us how to select for more improvement," Linda offers. "The data and the prices justify the purchase of better bulls."

Also from the Stephenville area, Todd Adams holds down a full-time job in town and maintains a small commercial Angus herd on the side. He recognized how age and source verification, through AngusSource, added value to calves. Yet he couldn't attract appreciative buyers willing to compete for his small offering. Having his own scales at home, he also knew what sale barn shrink was costing. So, collective marketing through an alliance of like-minded producers was appealing.

"I was hesitant to wean and background



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my calves for 45 days. Now, I know it pays. I think all of the tools used to add value can pay; but, as a small producer, I get full benefit from them because I now market my cattle in a large-producer environment," Adams states. "I've needed something like this for a long time. It allows even small producers to build a reputation for producing quality."

In the beginning, the McGilvrays and Weatherford thought Pacesetter Beef Alliance could provide a way for producers to retain ownership of their cattle all the way to harvest. Higher feedgrain prices made that idea much less attractive. The outlook for cattle feeding is likely to change again, though, so finishing cattle to market into

branded beef programs remains a possibility for the future.

"We'll keep that in mind, along with other ways to improve the program," Weatherford says. "I'd like to explore things like ultrasounding weaned calves and maybe encouraging members to AI (artificially inseminate) to the same bulls for increased uniformity. We've already worked out a way that members can exchange heifers to be saved for replacements. And we've started putting together loads of cull cows to market them to better advantage.

"You have to keep trying to be better," he adds, "and never quit."

