



# Partner Up

## Tips for deciding whether to retain ownership and picking a feedlot partner.

by **Steve Suther**

**A**s in the Old West, success in today's consumer-focused cattle business depends on finding partners you can trust. You might list a banker, nutritionist and bull supplier as partners in a sense, but have you considered partnering with a cattle feeder?

Historical research shows producers usually make money by retaining ownership of their calves through the feeding stage. That's true on the average, so if you have unknown or below-average cattle, the risk is greater. However, if you have above-average cattle, you may be leaving serious money on the table by not retaining ownership.

The option attracts more attention as the cattle cycle turns. Those who have worked with their seedstock suppliers to improve genetics on postweaning performance and carcass quality have the most to gain.

Preconditioning calves on the ranch may help performance in the finishing phase, but some custom feedlots have the know-how to manage bawling calves if health programs are coordinated. You may be able to finish cattle at home, but that's not a realistic option for most producers. That doesn't mean you should forget about feeding, because most cattle today are finished in custom feedlots. You should have at least 40 or 50 head, but they can be mixed steers and heifers.

Summer is a good time to look into the idea of feeding. The first question is not

necessarily where, but who will meet your needs. Cattle can travel hundreds of miles as part of successful partnerships. After you search by telephone and Internet, set up a trip to visit the likely prospects.

Cash flow and income tax schedules can be obstacles, but you can ease into the adjustments by partnering with the feeder, financing expenses until sale day. Even if you are not ready to retain ownership, the feedlot may agree to buy full interest in your calves and still provide individual data for a small fee or prospect of future retained ownership.

### The search is on

Before you become a business partner with a feedlot manager, you must feel confident in his integrity. Have your bank check with the feedlot's bank; and contact feedlot customers and other local producers. You want to partner with somebody you like and trust, who understands your concerns completely.

Personal visits are the only way to be sure you see things eye to eye, but you can also tell a lot by how well calls are returned. If e-mail is important to you, look for a feedlot manager who can click back a reply within a day or two. Your partner may operate a small or large feedlot, but you should demand the same level of service.

Technical aspects such as feeding expertise are important for results. Ask about rations, bunk management and cost of gain. As you gain a feedlot education, you can compare

answers from one manager to the next, and against industry standards. Ask for cost estimates based on in-weights to out-weights for an equitable comparison, but keep in mind these are not guarantees.

Harvest records and performance data are important tools to help determine the efficiency of both the feedlot and your cattle. Access to individual carcass data indicates a feedlot's interest in helping you hit a premium branded target. In most cases, you should defer to the feedlot's experience in marketing, but you should be comfortable with the sales plan and such practices as sorting to outcome groups.

Take a tour of each facility to see if they have humane and efficient cattle processing, individual weighing and feeding. The yard should be clean, well-drained, clearly in compliance with environmental regulations, in good repair and on a good road for all-weather access. It should allow at least a foot of bunk space per head, protection from the weather if necessary and a good water source.

The manager should also have an emergency plan in case of breakdowns or outages, so the feeding routine is not disrupted. Keeping your calves healthy can be worth up to \$100 per head, compared to losses in performance and carcass value if they get sick. See that the hospital pens are clean and well-ventilated and ask about overall quality assurance.

When you partner with a feedlot, keep up your end of the deal and expect no less, but give it a few years. That way you can compare calf crop performance over time, and the feedlot can adjust expertise to your calves. If the partnership continues, it will help improve both genetics and management.

