

Profit Potential



A seedstock producer discovers how his genetics stack up.

Story & photos by Miranda Reiman

Every year, Charles Mogck buys high-quality calves at a breakeven price. The philosophy of buying cheap calves to finish and sell more pounds of dubious quality is lost on this third-generation Olivet, S.D., rancher. Feeding cattle isn't just a hobby, however. This producer has goals.

"If we can buy them at breakeven, we expect our profit to come from the carcass premiums," Mogck says. He is confident the purchased cattle will perform on a grid because he's been buying them consistently for at least five years, and all calves are sired by Mogck & Sons Angus bulls. "We don't want to get into the commodity business," he says. "We want to be in where we know what the genetics are going to do so we can make a premium."

To make that happen, he tries to buy calves from bull customers.

"If we have enough track record with the cattle we're buying from the same people year after year, we know we're going to get a certain number of dollars of premiums," says Mogck, who owns and manages the operation with his wife, LeAndra, and their three children.

Known genetics is the first piece in their profit model.

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a difference with a lower percent Choice, and not as many CABs (*Certified Angus Beef*®) and Primes.”

The program works on a three-way partnership on the feeder calves with the South Dakota feedyards that finish the cattle and his nutritionist, Daryl Thomas.



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“He works on the nutritional part. I work on the genetics part, and the feedlot works on the feeding part,” Mogck says. “That’s worked pretty good because everybody’s got his niche, and you can concentrate on your specialty.”

The feedlots see advantages to this partnership, too.

“We get everybody involved that has to do with the feeding thing, then everybody feels more secure that it’s getting done right,” says Dave Gerraets, who runs the 2,000-head JPJ Ent. feedlot with his brother and brother-in-law. “We try to buy the cattle right off their place, then there’s



less exposure. You don’t have to deal with sale barns, the exposure and the shrink. It’s been working out really good on that end, and there are fewer pulls for us down the road.”

Success with familiarity

The Colton, S.D., yard has been feeding with Mogck for the past eight years.

“The feedlots love feeding the same type of cattle year after year,” Mogck says. “They know when they need to push them, they know the health programs — they just know the things they need to look at and do by feeding the same calves year after year.”

The partners try to enter and leave the market throughout the year.

“Our philosophy is to get cattle sold at many times of the year, so we spread out our risk,” he says. “The only risk we run into is the Choice-Select spread and what premiums they’re going to pay for CAB.”

Typically, loads are upwards of 85% Choice and sometimes as much as 50% CAB and Prime. Mogck admits that yield grade (YG) has been one of their biggest challenges. “Part of that isn’t necessarily the amount of fat they’re carrying, it’s the ribeye size. It seems they will grow decent up to a certain weight, and then that correlation isn’t the same as the lighter cattle,” he says. In response, Mogck won’t use a bull that’s below breed average for ribeye.



► By feeding cattle and raising Angus bulls, Mogck is carrying on a tradition that his grandfather started. “We’ve been in the business for three generations by taking the extra steps to make sure our customers are happy with our genetics,” he says.

“We were one of the first ones to ultrasound bulls in the area. That’s just one step in the equation,” Mogck says. “We need to know what our customers’ cattle are doing, how they gain and how their carcasses are turning out.”

The tradition continues

By feeding cattle and raising Angus bulls, Mogck is carrying on a tradition that his grandfather started.

“We’ve been in the business for three generations by taking the extra steps to make sure our customers are happy with our genetics,” he says. “We try to track our bulls and make sure our bulls are doing what the industry wants. We can learn more off our customers’ cattle than our own cattle.”

In a fast-paced industry, Mogck says it’s important to have information on his herd.

“I don’t know what our customer is going to demand,” he explains. “We’ve got to be positioned to move fast on it. We have to know what our cattle are doing and be able to adjust to what the consumer wants.”

He predicts changes that will make that known history more valuable.

“There will be a day that all these order buyers are going to have a computer in front of them,” Mogck says. “If he’s bought them in the past five years, he’ll know how they killed, how they gained and death loss. He’ll buy them accordingly.”

Bonuses and discounts in the sale barn will be tied to past performance.

“Most of our customers have been individually identifying their calves year after year,” he says. “The only thing that has changed is now it’s done electronically.”

The local veterinarian has been instrumental in getting producers started with electronic identification (EID), Mogck says.

“I don’t believe there are any big premiums on [EID cattle] at the sale barn, but if I’m a buyer I know these cattle are all your calves and raised by you. If you put these tags in, I know you take pride in your calves,” he suggests. “I know you probably go the extra step to do everything right, and if you spend the extra money on this tag, you probably spend the extra money buying a bull and your genetics are a touch better than the rest.”

He encourages his producers to embrace the technology.

“The cost isn’t really high to do it, and it might pick up one more bid at the sale barn on them, which would easily offset it,” Mogck says.



► Mogck owns and manages Mogck & Sons Angus with his wife, LeAndra, and their children.

Another way his bull customers can get the most out of their high-quality bulls is to sell their calves back to Mogck, an option he always lays out at his April sale. Not only does Mogck appreciate the high-quality calves, but he’s also learned how to better maximize their potential.

“We’re starting to walk away from implants. We found the hotter the implants the worse kill data we’re going to get,” he says. “The genetics we have now have enough growth that they’re going to gain decent enough that the implants aren’t as necessary as they once were. We’re still getting the gains.”

Health can influence how well those calves gain and grade.

“When we’re buying them year after year, we can darn near guarantee they’re healthy, or we know what to change if we’ve had a problem in the past,” Mogck says. “We can also make sure they get the right vaccinations for the feedlots we’re going to.”

This year they plan to feed a lower percentage of distillers’ byproducts in the ration.

“It’ll be interesting to see if there is any improvement,” he says. “Everybody thinks you need to see huge marbling score differences, but it doesn’t take a lot of improvement to gain a lot.”

Each year Mogck tries to make focused improvements.

“Carcass isn’t everything,” he admits, “but it’s a huge part. And in a program where we’re banking on our profit from the carcass premiums, it’s even more important.”

