

De-commoditizing the Feeder-calf Market

Gathering performance information allows producers and buyers to identify premium cattle.

by Kindra Gordon, field editor

How can you move beyond being an average producer? How can cattle producers “de-commoditize” the cattle market and capture premiums? Those were questions cattlemen Lee Leachman and Tom Brink challenged Range Beef Cow Symposium attendees to think about during the final day of the event in November. Leachman operates Leachman Cattle of Colorado, and Brink operates his own business, Top Dollar Angus.

“Information matters; that’s how we de-commoditize cattle,” said Brink. He noted that information can help show that a group of cattle is different in a positive way.

Specifically, he shared that prospective buyers are interested in frame size and flesh



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cattle in the same pen and said, “There’s a horrendous value difference in cattle.” In this particular pen, the value difference per head spanned \$457.

Brink noted that by gathering performance information, producers and buyers have the ability to identify premium cattle.

He called DNA testing “a good and useful tool,” and said, “DNA is coming and coming fast. . . . We’re going to see more of it.”

Brink’s business, Top Dollar Angus, works with producers to garner premiums for high-performing cattle. Similarly, Leachman talked about the Reputation Feeder Cattle program, which takes genetics and management data to run a simulation model to predict the expected outcome on a group of cattle. Reputation Feeder Cattle also offers



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condition; health programs, especially for calves; and genetics.

Regarding health programs, Brink emphasized that details — from treatment protocols to administration dates — are important. “Don’t overlook the value of rolling health information into marketing,” Brink stated.

In discussing genetics, Brink shared a comparison of the top 10 performing steers in a pen to the bottom 10 performing

certification on cattle enrolled in the program and assists in promotion of those cattle to buyers.

Leachman concluded, “The premise goes back to that question, ‘How can you manage what you don’t know?’ Producers can use [DNA] information to get top dollar or use the information to improve future cattle performance

if you don’t have great results.”

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As part of the *Angus Journal’s* full meeting coverage, you can listen to Tom Brink’s and Lee Leachman’s presentation at <http://bit.ly/1ODmmn1>.

Table 1: Differences in value of feeder cattle

Sold April 2014	Carcass wt., lb.	Marbling score	Ribeye area, sq. in.	Backfat, in.	Per head value	Live sale price
Top 10 steers	975	572	15.0	0.60	\$2,397	\$160.30
Bottom 10 steers	819	457	13.3	0.59	\$1,940	\$154.52
Difference	156	115	1.70	0.02	\$457	\$5.77

Editor’s Note: Tom Brink accepted the position as CEO of the Red Angus Association of America and was scheduled to begin in that role in mid-January. This summary is part of the *Angus Journal’s* online coverage of the 2015 Range Beef Cow Symposium hosted Nov. 17-19, 2015, in Loveland, Colo. For additional coverage, to review this presentation’s PowerPoint or to listen to the presentation, visit the Newsroom at www.rangebeefcow.com. The *Angus Journal’s* coverage of the event is made possible through collaboration with the event committee and sponsorship of LiveAuctions.tv. Kindra Gordon is a cattlegirl and freelance writer from Whitewood, S.D.