

Far West Success



PHOTOS BY KELLI TOLEDO

AngusSource® proves positive for Nevada commercial producer as well as his California bull supplier.

by *Kim Holt*

Some seven years ago, when the American Angus Association introduced AngusSource® through a series of regional seminars, John Toledo attended the meeting in Sacramento, Calif. As the Visalia, Calif., Angus breeder listened, the wheels were turning in his head as to how this program might be a good fit for a customer who had been buying bulls for 10 years exclusively from his family's Tri-T Farms.

"I thought it'd be a really neat thing because all the bulls he used were from us, and it was something we could do for him as a customer to help with the marketing of his calves," John explains. "If it was going to do what we thought it would in terms of a premium, it was a no-brainer for \$1 a tag."

A short time later, in 2004, the Toledo family's customer, Star Creek Ranch, Imlay, Nev., sold its first AngusSource calves through Western Video Market (WVM). Says John, "These AngusSource calves were the first in the western United States to sell, and they were the very first AngusSource calves to sell on Western Video Market."

Building a reputation

Tri-T Farms is a partnership between John; his father, Jack; and his brother Geoff. It includes diversified crops and registered Angus cattle, which they've bred since 1979.

John's wife, Kelli, also grew up in the

registered Angus business and moved her herd from Montana to California after marrying John 19 years ago. In 2005, John and Kelli formed a partnership, Toledo Ranches. The Toledos operate just west of Visalia, where all cattle are managed together.

Both Kelli and John served on the National Junior Angus Association (NJAA) Board of Directors, Kelli in 1987-89, and John in 1988-90. During their time on the board, Kelli was communications director and John was chairman.

It's little surprise that this couple would take their state's lead with AngusSource, a program created to help differentiate Angus-sired calves from their commodity black-headed counterparts.

The goal of AngusSource is to increase the value of Angus-sired calves, meanwhile driving demand for registered Angus bulls.

Tri-T Farms and Toledo Ranches annually market 25-30 bulls. Most are sold each fall in Silveira Bros. 'Partners in Performance' Bull Sale in Firebaugh, Calif. However, they have

one customer, their AngusSource user, who buys privately each spring.

This customer, Salvador Galindo of Star Creek Ranch, gets his pick of the bulls. Star Creek has been an exclusive customer of the

Toledo family's Angus bulls since 1993.

John meets Galindo at Snyder Livestock Co. Inc., Yerington, Nev., where the bulls are developed. By then, Galindo has picked bulls on paper from data John has provided, including ultrasound. He annually makes final selections of four to six bulls based on phenotype.

"All his cows are commercial, but, at this point, if you go back to 1993 the

cow herd is just about 99.9% all black," John relays. "Everything on the ranch is sired by a registered black Angus bull."

Star Creek, located between Lovelock and Winnemucca in northwestern Nevada, turns out about 20 bulls per year and calves in two seasons.

"Salvador does an excellent job with bull management during the off season," John says. "He gets a lot out of them. The country is wide open; they really have to travel."

John delivers the bulls each year, and spends a day looking at cattle with Galindo. In this big country they find groups of cows

"Some people think you sell a bull once a year and that's all you have to do. It's what you do all year with these people that makes a difference."

— John Toledo

► **Above:** Star Creek pairs forage on sweeping canyons and mountains in northwestern Nevada's high-desert country. Star Creek has used all registered Angus bulls for 16 years, so the cow herd is 99.9% black with Tri-T Farms and Toledo Ranches breeding.

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with binoculars, and then likely drive 5-10 miles to reach them.

It wasn't difficult to get Galindo to sign onto the idea and added value of AngusSource, John says. "He trusted us after talking with us about it."

John helped Galindo get started with AngusSource, paying for the tags and helping with the enrollment process. Over time Galindo started doing more and more, and now he's doing it all himself.

When AngusSource became a Process Verified Program (PVP) in late 2005, they had a few more requirements for enrollment. "Of course, Salvador was already doing the program for a couple of years at that point, so it wasn't a big adjustment," John says.

Even though Galindo's calves were the first sets to sell on WVM, John reports, "We saw results immediately. Western Video Market did a nice job of giving some extra press when it was time to sell the cattle."

John had dotted the i's and crossed the t's on Galindo's behalf. He provided AngusSource marketing documents (now called customized Verification Certificates) to WVM, the ringmen and auctioneer prior to the sale.

"When the steers and heifers came across, they had some extra information they could give when they were selling the calves. It really worked well," he explains.

To this day, every time Galindo markets calves on Western Video, the auctioneer always comments that Star Creek sold the

How can I help my customers use the program?

AngusSource® offers Angus breeders these tips:

► **Inform your customers.** The American Angus Association offers a number of AngusSource promotional and educational pieces that are free and available from the American Angus Association. Sale book inserts, fact sheets and brochures can be utilized at your bull sale. Contact angussource@angus.org or call 816-383-5100.

► **Transfer your bulls.** To qualify for the AngusSource program, all calves must be sired by a registered and properly transferred Angus bull. Be sure you transfer papers into your customers' names. When you mail the transferred registration paper, consider including an AngusSource insert available from the Association.

► **Be sure females have a bill of sale.** If you sell commercial bred females, be sure they are accompanied by a bill of sale that lists the number of head purchased, tag numbers and breeding information. If the females were bred by artificial insemination (AI), your customer will need a copy of the semen receipt in order to be eligible to enroll those calves in AngusSource.

► **Provide service after the sale.** Good follow-up and service after the sale sets seedstock suppliers apart. Keep in contact with your customers throughout the year to gain a better understanding of their operation and bull needs, and if their bull purchase is meeting their needs.

For more information on the AngusSource program, visit www.angussource.com, call 816-383-5100 or e-mail angussource@angus.org.

first AngusSource calves there. He also adds that Star Creek exclusively uses Tri-T Farms and Toledo Ranches bulls.

"It's mentioned at least two times for each set of calves," John says, and also in the sale book's comments section. "It helps us, too; it gives us a little bit of advertisement."

Buyers ask for them

AngusSource has helped Galindo build a history with WVM, and also a reputation for good-doing Tri-T and Toledo Ranches-sired calves.

Besides qualifying for AngusSource, Star Creek calves are WVM Natural and *Certified Angus Beef*® (CAB®) candidates. Galindo weans and then backgrounds for 60 days

or longer on chopped wheat hay, so he's often able to sell 800-pound (lb.) to 900-lb. steer calves. Buyers have included Niman Ranch, Simplot, Beef Marketing Group and Panorama Meats.

"It's been kind of neat because the first few times they sold pretty well," John says. "And after he's built some history, he's had these guys looking for his calves.

"We've been able to get cutout sheets on these cattle and have all of the grading information," he adds. "The calves have done extremely well."

Typically, Star Creek's calves grade 85% Choice or better. John says the best set of data he's seen was on a group of calves that graded 98.46% Choice or better, including 12.3% CAB Prime, 71% CAB Choice, 4.6% Choice, and 1.5% Select. "This group was really outstanding," he says.

Galindo shares all carcass data with him, John relays. "It's a tool for me. It's a way for me to know what the calves sired by our bulls are doing. In his situation, it's even more unique for us. It's gone on long enough that our genetics are pretty deep in that cow herd."

What they're doing seems to be working in that environment, which is "pretty tough," John assures. "The feed resource is sometimes pretty scarce. There they really have to travel and forage." He helps Galindo closely watch the frame size and fleshing ability of the cows, especially when they get big calves at side.

Feedback from the end customer has been in the kill data, he says. "We've heard things like the cattle perform well in the feedlot in terms of gain, and that usually rolls over into how they did in terms of grading.

"When they're calling the Western Video rep and asking him when the next set of calves are going to be coming, it says a lot," John remarks. He adds that buyers have also approached Galindo to buy the calves privately.



► John Toledo helps Star Creek's Salvador Galindo keep an eye on cow frame size and fleshing ability, especially when they get big calves like this at side.

Seller satisfaction

When AngusSource started, John points out that the cattle industry was enjoying a good market. “I told Salvador this thing is probably going to be pretty good now, but I think a program like this is really going to shine when we get back into a little bit of a tougher market.”

“I think the premiums now are probably bigger, on average, than they’ve ever been,” John says. His family figures that Galindo has received anywhere from 4¢ to 11¢ more per pound on every sale in which he had calves. “That is comparing them to the same kind and weight range of cattle that weren’t AngusSource,” he comments.

“Looking at the way things are today, the bar has been raised. It’s really not so much that you’re going to receive a premium; nowadays, if you’re not doing something like this (age- and source-verified program), you’re basically receiving a deduct. And you’re going to be behind.”

He adds, “If you’re not in AngusSource, a natural or other program, you’re very limited to where those cattle can go. AngusSource is one thing that really broadens the market.”

Other factors working in Star Creek’s favor are the WVM Natural and CAB-candidate designations. And the calves are heavier at sale time.

“The demand for those heavier cattle has been pretty good, obviously. Especially with feed costs where they’ve been, they go in at 800 or 850 lb., and won’t be on feed near as long,” John remarks.

He explained to Galindo that AngusSource might not net him a whole lot more in the beginning. But after he participated for awhile and Star Creek cattle got out and performed for buyers, it’d put him in a position to where he’d be selling reputation calves.

John’s advice has been right on; he relays that Galindo is “extremely happy” with the AngusSource program. “He’s told me many times that it’s one of the best things he’s done.”

Galindo comments, “I am very happy with the program. The people I have worked with in the AngusSource department are really friendly. They make sure that I am doing the right things with my recordkeeping and that I have all the bases covered.”

He adds that it’s been easy to implement AngusSource because he buys bulls from one supplier. “He got us started with the program and has helped us along the way.”

“From the very start with AngusSource, we have seen the premiums for our calves with each group we have sold. The calves have been performing well for the buyers. To keep improving the calves, I work with my bull supplier to maintain a certain balance



► Bull supplier John Toledo (left) discusses data with Salvador Galindo of Star Creek Ranch. An exclusive bull customer of the Toledo family’s Tri-T Farms and Toledo Ranches for 16 years, Star Creek has sold AngusSource calves for six years.

of EPDs (expected progeny differences) and body type to make sure the cattle work in our environment and work for the feeder and packer.”

A customer-service tool

John says they’ve offered this program to other customers, and soon several are going to start. His willingness to help other customers, even those who aren’t exclusives, coincides with his family’s customer-service philosophy.

“It’s in our interest to help them,” he says. “They’re a customer of ours. It’s something an operation of our size has been able to do from a customer-service standpoint that’s really been very helpful. Some people think you sell a bull once a year and that’s all you have to do. It’s what you do all year with these people that makes a difference.”

John says that producers have been “pretty receptive” to learning more about AngusSource. “When you tell them it involves a premium, they’re all ears.”

And, the program doesn’t require a whole lot of extra effort, he points out. Producers need to keep good records, which most are usually already doing. “It takes a little time, but it’s certainly worth the potential for the premium,” he tells them.

“Input costs don’t go down. It’s been a steady climb over the years; I don’t see that changing, so we have to continue to look for other ways to make sure you have a bottom line, and this is just one of them.”

John also finds that customers really like it when he offers to help, because the enrollment is something new to them. “Once you give these people some

assistance, and they’ve done it a few times, they pick it up really easy,” he assures.

The Toledo family helps spread the word about AngusSource through an insert in the Silveira Bros. sale book, through word of mouth at the sale and one on one during herd visits.

“A lot of folks will know about it, but they always have questions,” he comments. “Usually we visit with most of them at the bull sale and during herd visits. The one-on-one visits are best because you have more time.”

John encourages Angus breeders to help their customers get on board with AngusSource. “I’d rather have them do this than go to another PVP. This is ours, and we’re selling the genetics, and they just go hand in hand.

“It keeps the demand for bulls there. We can’t get complacent in what we’re doing. We always have to try to do little things to help these folks in their businesses. It’s a great tool, and I think if you can encourage more to participate in it, the better off they’re going to be.”



► A Toledo-bred bull awaits turnout onto the Buena Vista Valley at Star Creek Ranch.