

Commercial Commitment to Excellence Award

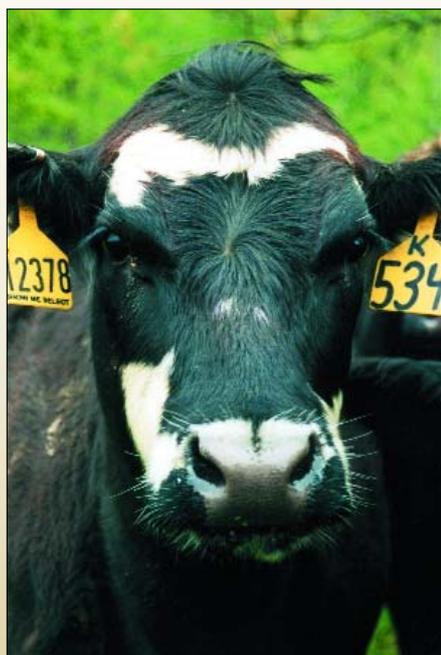
A Quality Way of Life

by Lance Zimmerman



PHOTO BY LANCE ZIMMERMAN

► Raising quality cattle earned Mike Kasten the 2004 CAB Commercial Commitment to Excellence Award.



PHOTOS BY PRISCILLA KASTEN

► Maternal characteristics are not forgotten in Kasten's quest for carcass characteristics.

Ranching is often considered a way of life. Maybe that's because a profitable cow herd is a life's work, and dedication to it means living the business.

Mike Kasten is one of those "way of life" ranchers. His cattle may not perform exactly as he would like, but his Millersville, Mo., operation shows his dedication.

In fact, Kasten's ability to raise consistent, high-quality Angus cattle has made him the 2004 Certified Angus Beef LLC (CAB) Commercial Commitment to Excellence Award winner. He accepted the award Sept. 11 at CAB's annual conference in San Antonio, Texas.

Longtime friend Ben Eggers, manager of Sydenstricker Genetics, Mexico, Mo., says few commercial producers come close to Kasten's time-tested approach to producing for the *Certified Angus Beef*® (CAB®) brand.

"Kasten has been using quality cattle lines for so many generations that he has proved stacking genetics works for marbling," Eggers says. "The data show it is working for him."

In 1990, Kasten started getting involved in Sydenstricker Genetics' progeny testing program. By using Angus Information Management Software (AIMS), along with carcass data from his steers, Kasten made educated sire selections based on how well his animals performed.

The effort has paid off in building his herd and really shines as a selling point for bred heifers. Last May, a Kasten consignment to the Missouri Show-Me-Select Heifer Sale in Fruitland, Mo., averaged \$1,390 per head, up from his historically strong range of around \$1,100 per head.

"I believe that there are a lot of good cattle out there today, but few people can prove it," Kasten says. "I have always believed in records, because you can prove what you have."

The market says you had better have quality, he adds. "There were a lot of people who made money feeding cheap cattle for a lot of years. They were good businessmen, and at the time it was a good idea, but it really hurt the industry. Today, some packers will not buy those types of cattle."

Quality has always been a component of Kasten's operation. He pays a lot of attention to expected progeny differences (EPDs) for ribeye area, marbling and yearling weight. But that wasn't enough, he discovered.

"While working on the replacement heifer deal, I found we had some other things to work on," Kasten says. "I have some cows in my herd out of a bull that isn't as good at marbling, but his daughters have excellent udders. Sometimes you have to change your focus to get other characteristics that add value to the herd."

Keeping it balanced

Mark Sebranek, manager at the CAB-licensed Irsik & Doll Feedyard, Garden City, Kan., says working on "other things" hasn't seemed to hurt Kasten's bottom line.

"Mike makes it easy," Sebranek says. "His cattle are so easy to work with, and he is so

easy to work with, ... they make us look good." Irsik & Doll nominated its customer for the CAB award. After feeding Kasten cattle for four years, Sebranek says it is hard to find cattle that perform much better.

"We had a 22-head lot that went 100% Prime and Choice, with 28% Prime and 26% CAB," he says, adding that's typical of Kasten's cattle. "In January, he had a group of cattle that went 44% CAB, 20% Prime and 98.7% Choice or better."

Sebranek says he evaluates cattle performance two ways: grid performance and feedlot performance. Kasten's Angus calves offer as much performance as crossbreds.

"Mike is sitting just as well as any of those guys with around 3.6 to 4 pounds of gain per day," Sebranek says. "And in some cases, we have seen those high-performing cattle aren't quite as good on quality grade."

Eggers says Kasten's cattle have never had a problem growing in the feedlot.

"It is not like Mike's cattle are little, high-grading calves," Eggers says. "They flat perform in the feedlot and have good feed conversion rates and rates of gain as well."

Sebranek says getting to Kasten's level of consistency is something that takes time.

"I use Mike's name a lot when I have customers starting up, and say, 'Hey, look at this. If you put some time into the deal you can do this,'" Sebranek says. "I always tell people that it takes work to get to this point because it didn't come overnight for Mike."

No guts, no glory

Thirty years in the beef cattle industry have included some disappointing ones for Kasten.

"We are still trying to

make up for some losses during 2000 and 2001," he says. "Whether you look at the unpredictable cattle market or 9-11, I lost \$30,000 over those two years."

The loss hasn't kept Kasten from feeding cattle. Irsik & Doll still finishes two or three pens for him a year, with the most recent group making a profit of \$256 per head. He says it makes no sense to sell high-quality calves and let someone else benefit from them.

"The more you work with the genetics of your herd, the longer you have to own your cattle to make it pay," Kasten adds.

Sebranek says Kasten's profitability also hinges on his willingness to experiment with different production and marketing methods.

"Back in January, when the market plummeted after BSE (bovine spongiform encephalopathy), we had the first sort ready to ship on his cattle," Sebranek says. "I shared with Mike that I thought this thing would straighten up at the end of the month if he was willing to take a chance. Waiting ended up working for him."

Kasten is also willing to try new things if

it means knowing more about his cattle, Sebranek says.

"When we had the Best of *the Breed* (BoB) contest, Mike was one of the first ones who stepped up, and when the National Angus Carcass Challenge (NACC) came up, it was the same thing," Sebranek says.

"It gives him an opportunity to see how his cattle have been doing in the industry in comparison to other people," he adds.

With a regional winner in the BoB contest, and a group of NACC steers once ranked in the top five, Kasten's calves have proved that they can compete with the best of them.

Kasten and his full-time employee, Dennis Sterner, have worked with university researchers on synchronized breeding and early weaning studies, and with Sebranek to improve quality grade and performance by altering implant times.

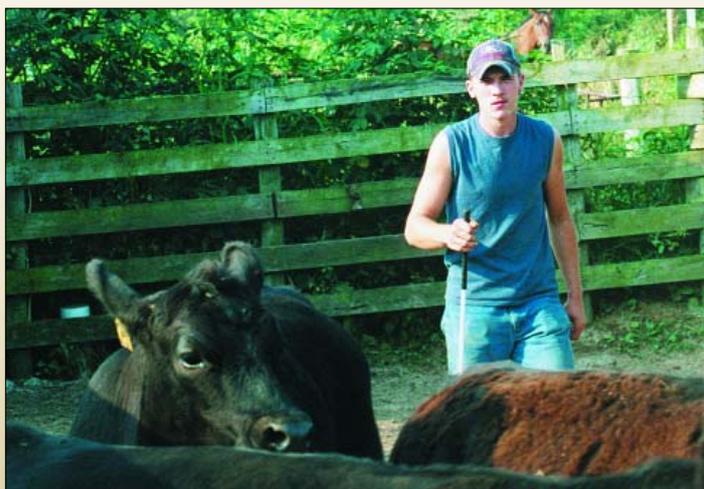
"Working on these studies has definitely been worth the effort we have invested," Kasten says. "I always like trying something new as long as it is reasonable." To his credit, says Sebranek, Kasten also shares his experiences with other producers.

"When I send guys to talk to him, I know he will be honest with them," Sebranek says. "I do not have a problem sending customers to him because I know he is going to be a straight-shooter with them."

Commitment to the industry

Eggers says Kasten has been a great asset to many Missouri producers interested in quality. "At cattlemen's meetings over the years, his message is always the same: There is a quality market out there that can help your bottom line. It is based on CAB, and here is how you can get cattle that fit that program," Eggers says.

CONTINUED ON PAGE 104



► Kasten and his full-time employee, Dennis Sterner (above), have worked with university researchers on synchronized breeding and early weaning studies.

A Quality Way of Life CONTINUED FROM PAGE 103

Kasten's commitment to helping producers raise a quality product went to an entirely different level when he established a beef alliance with some of Missouri's smaller cattle producers, Eggers says.

"Missouri is the No. 2 cow-calf state, but it is made up of small herds," Eggers says. "It is hard to get the little groups pulled together enough that they can become players in the big picture."

Kasten started to bring small-scale producers into that "big picture" by organizing the beef alliance in 1995. Beginning with two producers, the Mike Kasten Beef Alliance has now grown to nine, and more producers are asking to be a part of the program.

Alliance producers get the chance to benefit from Kasten's experience and see the value in quality genetics. They lease registered Angus bulls from him, and he comes to their farms to help vaccinate, weigh and wean the calves.

Then, Kasten buys back some of the steers as part of a trade for replacement heifers. There is no pressure. "I do not go in and play hardball with my alliance producers. We start by letting them ease into the program and see the reality in it," Kasten says. "It has always been the same strategy, and we always try to provide them with what they need to improve their herds."

The alliance has started to see the benefit of genetic improvement over the last five years, he says.

"In 1999 we were averaging a premium of around \$40 per head. Then, we worked our way up to \$80 and lately even \$120," Kasten says. "The Prime premiums have really kicked up our numbers lately. We added \$51 per head to each pen with the Prime premiums received the last two years."

Kasten says CAB has been a great fit for him because he has always believed that producers need to add value to their operations if they expect to be profitable.

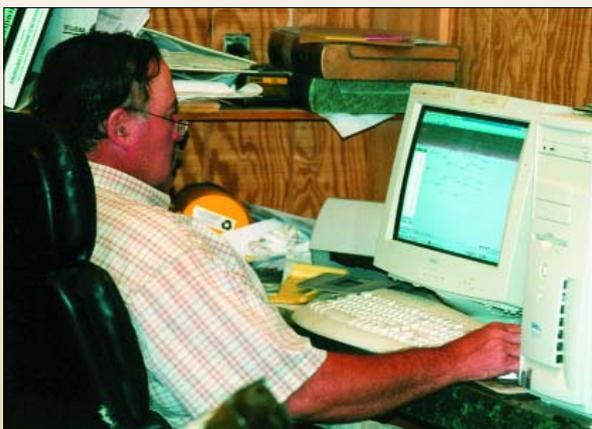
"All these years people have been asking, 'When are we going to get paid for producing quality cattle?' and the time has finally come," Kasten says. "We are still fighting a little bit of an average-price mentality, but the differences are starting to be seen."

If producers stick with it, the best times are yet to come, he adds.

"There is still a large segment of our population, especially under 30, who have never eaten a Choice steak," Kasten says. "They do not even know how good beef can be, and they still eat it. They like it, and they are not even eating the best of it."

He credits CAB for taking the lead in helping producers realize there was a place for quality in an otherwise commodity-driven cattle market.

"I really admire CAB for putting the program together and then sticking with it when times were tough," Kasten says. "I consider the award a great honor because there are a lot of great people who put the program together so I could have the results I have now in the cattle business."



► "I believe that there are a lot of good cattle out there today, but few people can prove it," Kasten says. "I have always believed in records, because you can prove what you have."