

# All the Best, Family Style



## Intense focus on Angus quality meets laid-back Texas-style marketing.

Story & photos by **Steve Suther**

**J**oe Watkins' cattle really don't fit the average. "That's mostly a good thing," says the Claude, Texas, Angus producer. "But it has caused a few challenges as well."

For example, feedlot computers sometimes project his steers to gain about 3 pounds (lb.) per day, as average Angus yearlings should. The "trouble" is, Watkins' cattle eat and convert feed to beef so well they often gain 4 lb. per day. It takes communication, follow-up and management adjustment to avoid overfinishing.

Watkins also has a hard time keeping many commercial cows on hand. Demand for his second-calf heifers is high.

"We run about 130 registered cows, and I used to say about 150 commercial cows. But people come along and want to buy some," he says. "The oldest commercial cow here now is about two years."

Keeping back nearly all the heifers, Watkins doesn't mind calving 120 or more each year. "We have a big crop of cows to sell every year, so it's really no problem for us," he says.

The family also purchases 800-1,300 yearlings to graze each summer.

### Registered foundation

The registered cattle go back to the 1950s when Dr. Walter Watkins started a herd of Rito-influence daughters that he eventually bred to Scotchcap sons.

"He was carcass-oriented before that was the thing to do," Watkins says. "He loved

medicine and loved cows, but if they ever needed anything, he just went and bought feed. The cows were a little too big when we took over 10 years ago."

That was after 21 years in the commercial flooring business, helping his father with cattle outside of business hours. "Now, ranching is all we do," Watkins says. The crew includes wife Evonnda and teenage daughter Kelsee.

Watkins' cows have never been wild, but they know how to protect their calves. He took note of cows that he witnessed protecting their calves from coyotes, figuring "they should always have a place in the herd," he says. But cows have to know when to turn off their aggressive side.

"When you work with your wife and daughter, you better have pretty gentle stuff," he says. "They'll let you know if one needs to go ... I've gotten to where I don't argue with them," Watkins says with a shake of his head.

Females rule on every front, and Watkins admits he would rather see a new heifer calf than a bull calf, partly because of anticipated genetic improvement. The herd has moved toward a nearly linebred B/R New Design 036 influence for moderate-sized, gentle and productive cows.

In the process, Watkins became friends with seedstock supplier Bill Rishel, North Platte, Neb., where the New Design lines began.

"Following calves through the feedlot and improving the carcass is a great idea," Rishel

says. "But with Joe, it all goes back to the foundation. It's about the whole package. He used to talk about problems with calving, but now he tells me it's a lot of fun."

Of course, that's all part of the plan. "We run this like a mom-and-pop ranch deal, and these cows have things to do," Watkins says. "With registered cattle, you might think they need a little something extra, but I say if they do, then they aren't doing what they're supposed to be doing."

The Watkins cows are doing just what they should, while their owner builds a network of customers who are glad of it.

Thanks to the spreading influence of his cow herd, an increasing share of Watkins'



► A closeout from Cargill's STAV program last year showed Watkins' cattle gained 3.68 lb. per day, with 19% achieving the *Certified Angus Beef*® brand and Prime. "That's a start, but I want it to be more like 40% and 50% CAB," the Claude, Texas, producer says.



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annual purchase of grazing cattle comes from his own genetics.

### On the right track

Watkins’ quest for feedlot and carcass data melds with risk management strategies to document trends. But he won’t admit to too much sophistication. “It’s just that no one thing works all the time,” he says. Progress comes as a natural consequence of everyone doing what they are supposed to be doing — and most of it is done with a handshake and a smile.

“I contract to buy back calves from some of the guys who buy cows or bulls from me so that I know the genetics,” he says. “We are trying to get everybody on track where we can age- and source-verify everything.”

That, along with the trend toward higher performance and quality, generates interest from Cargill and U.S. Premium Beef (USPB) feedlots and buyers.

A closeout from Cargill’s Sharing Total Added Value (STAV) program (see “STAV: A good option to have”) last year showed gains of 3.68 pounds (lb.) per day, with 19% achieving the *Certified Angus Beef*® (CAB®) brand and Prime.

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## STAV: A good option to have

Cargill Cattle Feeders does not offer retained ownership programs, but the 330,000-head-capacity company does work closely with cow-calf producers. Cargill began its beef alliance, Sharing Total Added Value (STAV) in 2000.

From the beginning, Claude, Texas, Angus producer Joe Watkins has made use of the opportunity. “We generally try to sell Cargill at least a third of our yearling steers,” he says. Those would be 750- to 800-pounders from the pool of about 1,000 steers he grazes each summer. Through a buy-back program with bull customers, Watkins knows the genetics on an increasing share of those stockers.

Each year, he offers groups of 120 or more to Cargill at something above the local feeder market; last year, he asked a \$4-per-hundredweight (cwt.) to \$5-per-cwt. premium.

“After working with them for six or eight years, we are all friends. They know my cattle, and they know I will hit them as hard as I can up front,” Watkins says. “My goal is to get a \$30- to \$40-per-head premium when I sell, and that much more at the end of the feeding period.”

That’s possible because STAV keeps track of sources and rates Watkins’ steers as above average value going in. Any feedyard might do that, but the second shot at a premium is unique. Like the name says, Cargill shares added value in the end.

Feeding and harvest results are combined to measure that value, and the top 25% of cattle earn premiums. Those are split with the producer, with the top 10% of cattle — where Watkins’ steers generally land — returning the top share of 30%.

### Premium opportunity

Last year 165 Watkins steers earned \$127.83 per head in total added value premiums, and \$38.35 per head made it back to the ranch. “STAV has worked out well for us,” Watkins says. “It’s a great way to sample the feeding and carcass quality from our bull customers’ herds without assuming any of the risk. We’ve used what we learned to improve and retain ownership on feed with most of our cattle in some custom yards.”

The program was created as a way to give producers the tools and incentives to add value to their cattle without retaining ownership on feed, but Cargill encourages taking that next step as herd improvement allows. “Information and shared premiums give everyone a stake in making the most of today’s calves and improving them in the future,” says Tana Baker, STAV coordinator.

### Working relationship

By developing a working relationship with producers, STAV aims to improve their cattle over time. Having built the program to encompass up to 70,000 head per year, a key measure of success is the fact 80% of the volume comes from repeat customers, she adds.

Participation requires at least 120 uniform, same-sex calves or yearlings, so it’s not for smaller producers. However, there are grids for both Select-grading and higher-quality cattle, which include premiums for Cargill’s Angus Pride®, Sterling Silver® and the *Certified Angus Beef*® (CAB®) brand. Age- and source-verification premiums have been figured into the front-end feeder price negotiations.

After a pen closeout, there’s potential for sharing a lot more than premiums.

“Once we generate data on a pen of calves, we visit with the producer and suggest they take the information back to their seedstock producer,” explains former STAV coordinator Ben Brophy, now director of genomics commercialization for Cargill. “Then they can go over what bulls best meet the needs and can fill any gaps that show up in the feeding and carcass profiles.”

Information sharing through the program has improved Southern cattle in general, Brophy says. “Instead of just passing on a set of cattle that didn’t fit our quality needs, we began to buy some as ‘project’ cattle, then work with producers over time. I know we have increased the supply of Southern cattle that fit our needs.”

Baker is updating STAV with new features to make it still more user-friendly and establishing further premiums to encourage the use of electronic identification (EID). Historically, the program has not sorted to optimize the finished end point. Going “all in, all out” resulted in high-integrity data for producers, Brophy says, but sometimes at the expense of the ultimate goal at Cargill — individual animal management.

In his new role with the company, Brophy will help bring technology such as ultrasound and DNA to bear on feedlot cattle, including those in STAV. “We’re looking for ways that would let us sort those cattle to outcome and still fit within any QSA (quality systems assessment) programs that need to maintain age and source,” he says.

For further information on STAV, producers may e-mail [tana\\_baker@cargill.com](mailto:tana_baker@cargill.com) or call 316-291-1974.

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“That’s a start, but I want it to be more like 40% and 50% CAB,” he says.

Watkins sells 40-50 bulls per year to a growing pool of repeat buyers, locally and in southeastern Colorado where his cousin Bob Watkins ranches and represents for Superior Livestock Auction. Not surprisingly, most calves are sold on the video, but one load of the cousin’s cattle achieved 100% Choice and Prime after being fed in Clyde McCloy’s feedyard near Morse, Texas.

“We’ve been sending bulls out to Bob for about 35 years, and he’s been keeping heifers,” Watkins explains. “On Superior, his calves just kept ringing the bell, so his neighbors would come over and ask, ‘What are you doing and where did your cows come from?’ Pretty soon we were sending 30 bulls a year out there.”

The cousins get together the first of the year and select bulls to fill orders. Watkins makes the delivery about April 1.

“We’ll sort them up in pens out on the range and folks will show up with their trailers and all their paperwork. They’ll quiz you; they’ll go look at bulls, but they’re not there to argue price,” Watkins says. “They’ll look at EPDs [expected progeny differences] and want to know what this bull or that one can do. Some will want more power and milk because they don’t keep replacements, and we’ll tell them what we know.”

It’s tougher country than the Panhandle — just as hot in summer, but colder in winter. “If those bulls make it through their first year,” he says, “they’ll be all right, but they have to work. We guarantee them for

a year whether lightening strikes or the bull gets injured, because bulls are supposed to last a long time. We might replace one or two a year, but there are no contracts, just handshake deals. I either send them a check or put them on the list for another bull next year, and we’re all happy.”

Watkins provides his customer-friends with a personalized cane for sorting and a little black book for calving records.

“I hope they use them both,” he says. “My phone number’s on there, so if something’s wrong they can call me when they’re sorting or writing down their calving data.”

Nearly as many bulls sell to local Amarillo ranchers and, typically, their cousins and friends as well. That just fits the Watkins style of making customers feel like family. He makes all genetic decisions for several customers with nonfarm careers. “It’s fun to clean up those herds,” he says.

Coincidentally, Watkins retains ownership on some of his calves at McLeod Farms, owned and managed by Clyde McCloy’s cousin and neighbor Rex McCloy.

However, it’s no coincidence that cattle from these families are known for top quality and performance.

The McCloyes are known for seeking out and feeding high-quality Angus cattle with the CAB target in mind. Rex McCloy says the Watkins cattle stand out across a 25-year feeding career.

“They have performed better than any other cattle I feed,” he says. “Four pounds a day for 140 days at 3¢ or 4¢ a pound less cost than what I expect. Cattle like Joe’s are easy



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to work with — you just put them on feed, and they do the rest.”

Last year’s cattle were rushed a little to make sure they were all under the 20-month age-verified limit to qualify for a \$25-per-head premium. “We’re allowing more time to hit the quality target this year,” McCloy says. The result: a 15% improvement in Choice (to 73%) on the last pen sold through USPB in March.

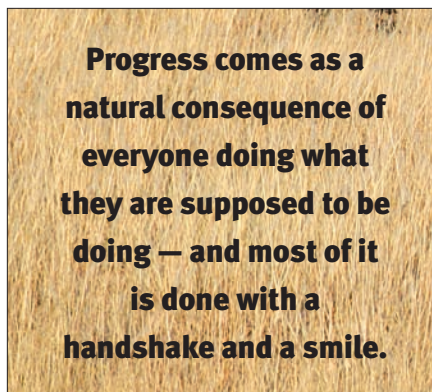
“One reason I’m in the cattle business is because I love to eat beef,” Watkins says. “I’m going to eat *Certified Angus Beef* because I know it’s going to be good. And the brand distinguishes our ideal from other breeds that have taken on black hides.”

### **Uniform, functional cows**

Under the black hides of Watkins’ cows are factories that are “the best they can be at reproducing better daughters, high-quality beef steers and a few excellent bulls,” he says.

You won’t find Watkins suggesting a need for heterosis for customer herds.

“We all went to school and heard about how crossbreeding was the thing to do,” he allows. “But if you give me an Angus cow



and stay with the genetic program and really work it, I guarantee that black cow is going to do just as good as those crossbreds. And you won’t have to worry about how and where you’re going to get your females.”

Records show that Watkins really works the genetic program. Both herds are backed by similar detailed data, including calving remarks. “The guys who buy these 2-year-olds are not going to have any problems,” he says.

Most of the commercial and all the registered females are artificially inseminated

(Aled). “I look at EPDs a lot, and there are some traits that will throw a bull out real quick. We can’t take high milk for our customers, and we need pretty high numbers on the carcass side,” Watkins says.

“People talk about balance. I don’t care if a bull is balanced or not,” he says. “There are some things I don’t want much of and some things I want a lot of. We’ve got quite a bit of room to go up on the carcass side.”

Breeding is mostly on observed heat. “We synchronize a little, but this is just a one-man deal,” he says.

Still, Watkins is finding room to try embryo transfer (ET) for the first time this year.

Linebreeding has provided great consistency without any classic symptoms of inbreeding, Watkins says. “If we start getting five-legged calves or something, maybe I’ll look for more outcrosses,” he jokes. “Until then, we’ll take these uniform, functional cows with trouble-free udders that work here and for our customers in Colorado and New Mexico.”

