

# Eyes on the Prize

Nebraska, Missouri partners repeat winnings with highest CAB rates.

by *Jill Dunkel*, Certified Angus Beef LLC

It's hard to stay at the top. Coaches say being No. 1 puts a target on your back, and few are able to repeat as champions.

Well, it's a different kind of friendly competition, but two *Certified Angus Beef*® (CAB®) brand feeding partners managed to repeat by winning the CAB Annual Conference Quality Focus Award (QFA) again, for cattle fed from June 2012 through the end of May 2013.

However, neither Darnall Feedlot at Harrisburg, Neb., nor Performance Blenders LLC at Jackson, Mo., were able to coast or do things like they always had. Drought and resulting high corn prices forced both companies and their clients to adapt and modify their feeding strategies.

Given those adjustments, however, quality came through.

## Feeding smaller calves

"Ranchers around here changed some management systems because of drought," explains Gary Darnall, whose yard won for the large size category, as it has twice before.

He operates that 24,000-head-capacity feedlot with his son, Lane, and their family ranch was honored this summer as the 2013 Beef Improvement Federation (BIF) Commercial Producer of the Year.

Darnall understands the challenges customers must overcome.

"Many of them weaned early to reduce the nutrient requirement on the ranch and to try and salvage as many cows as possible," he says.



► Gary (left) and Lane Darnall, Harrisburg, Neb., operate Darnall Feedlot, a repeat winner of the Quality Focus Award for yards with more than 15,000-head capacity.

**Quality Focus  
Award for yards  
with more than  
15,000-head  
capacity.**

That led to an influx of lightweight calves at the yard, several loads as light as 300

pounds (lb.), and a few even lighter. Darnall put them on a grower ration, making sure they consumed enough high-quality protein and energy to get those calves up to five-weights.

"At that point, we started treating them like other cattle in the feedyard," he says.

In the process, Darnall realized firsthand what research has proven

before: Early-weaned calves typically grade well because the higher starch and energy intake while young activates marbling cells earlier in their lifetime.

"Yes, we did get better carcass quality than we normally do," he says.

Last year, Darnall Feedlot won the award with just more than 40% CAB and Prime, which was way up from their 2010 QFA title that came in at 33.3% for those top tiers. This year, the yard shot past those numbers with 49% CAB and Prime.

Cattle in the yard are ultrasound-scanned and a projected marketing date is set. With





that system, Darnall says some calves brought in more than \$4 per hundredweight in premiums — which only helped to offset the cost of feed.

“It was high-priced corn, and as a result, the cattle still lost money,” he says, using calculations that include their value as feeder cattle. The premiums helped buffer the large losses other cattle feeders were facing. Some of the cattle came from Darnall Ranch, but most from other customers.

“We are fortunate that we have ranchers who retain ownership with high-performance cattle in the yard and on the rail,” he says. “We’re very fortunate to be able to feed those cattle.”

Darnall explains that most of that is repeat-customer business. Some have been feeding cattle with him for more than 10 years.

“The ranchers come back, year in and year out, so they have a program set up. They don’t vary much in marketing. But through retained ownership, they have definitely had a positive profit margin,” he says. “Now, last year they probably had red ink on the bottom line, like all of us did. But if you average that over a period of 10 years, they’ll be on the positive side of it.”

Looking at the next six months, Darnall says many ranchers have weaned early once again, anxious to get into new-crop corn and the feeder-friendly prices that come with it.

## Reformulating custom rations

Repeat winner among CAB partners with less than 15,000-head capacity, Performance Blenders had to tweak its feeding program a bit, as well. Actually, that refers to the feeding programs of scores of cattlemen who rely on the company for custom rations and advice.

The father-son team of Gerry and Geoff Shinn work with retired Missouri Extension cattle veteran Roger Eakins to help producers make more money increasing beef quality and marketing finished cattle to reap the premiums.

Gerry Shinn says the company utilized more commodity-based alternatives such as distillers’ grains and corn gluten during the last year. Although he says those products can dampen grade somewhat, moderation and superior genetics allowed for much success.

“We concentrate on cattle that are genetically bred to marble and grow. The breeding probably went a long way to keeping our [performance and grade] numbers up,” Shinn says. “But it really wasn’t as good as I wanted it to be.”

Part of that notion could be the high bar he set last year, when 507 enrolled cattle made 84% CAB and Prime. This year, 518 enrolled could only manage 83.4% CAB and Prime. The share of cattle that graded Prime eased only from 22% to 21%.

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At these quality levels, channeling cattle from so many individual small producers, nobody could do it better. Certainly no other CAB partner yard enrolling at least 500 head got into that neighborhood of quality.

But Shinn always aims higher: “We had some cattle that didn’t grade quite as well as I thought they should, but by the same token, we had some others that did well. All in all, we had a good year.”

Although distillers’ and gluten were used in some rations, Performance Blenders keeps to the corn for the last 60 to 90 days.

“We’ve always fed more of a traditional corn-based ration here than what some of the other feedlots are,” Shinn says.

Adding byproducts to cheapen the feed is important, but Shinn says it’s not entirely about cost of gain.

“We think there’s more to it. We’re trying to add dollars and hit value on top of the cost-of-gain variable. When you can get \$100 extra and hit premiums for quality, that makes it more worthwhile to spend a little more on feed sometimes,” he explains.

Shinn admits that although his ration modifications and top premiums helped, they didn’t keep all of his feeders in the black.

“It did minimize the impact,” he says. “Most all of the people in this data set, they’re cow-calf people. We work with them on their breeding program, stacking the pedigrees for carcass traits and getting them to fit a grid. They are collecting carcass data to make breeding decisions.”

Although not all customers take advantage of the carcass data, Shinn encourages its use.

To make any premium beef program work, “they have to grow and they have to grade, because that’s where your premiums are at,” he says.

While some producers have their eye on the Choice-Select spread, Shinn says the Prime-Select spread is where it’s at.

“If we can get 15% to 25% of the cattle into Prime, we’ve got a lot more dollars coming back. That’s what I always tell people,” he says. “If you want to put a bull’s-eye up on the wall and have something to shoot for, shoot for Prime. There’s a tremendous demand for it. Do that and everything will come out fine in the wash, day in and day out.”

**Editor’s Note:** Jill Dunkel is a freelance writer for Certified Angus Beef LLC.



► The father-son team of Gerry and Geoff Shinn work with retired Missouri Extension cattle veteran Roger Eakins to help producers make more money increasing beef quality and marketing finished cattle to reap the premiums. Pictured here are (from left) Geoff Shinn, customer Rick Aufdenberg, Gerry Shinn, and consultant Roger Eakins.