

CAB Natural, Tyson Link to Production System

Commercial Angus producers realize full value from calves.

Story & photos by Steve Suther

It's now easier and potentially more rewarding to produce for the *Certified Angus Beef*® (CAB®) brand natural line. Tyson Foods Inc., Certified Angus Beef LLC (CAB) and the Beef Marketing Group (BMG) announced in January that CAB Natural production had begun at the packer's Lexington, Neb., plant. That meant BMG had been working behind the scenes for months to line up supplies of eligible cattle, and the effort would grow.

"Our team started checking on breed type and health management, buying 1,500 Angus calves per week last fall," says John Butler, BMG chief executive officer (CEO) since December 2005. "Top-quality cattle are harder to find, and we have to pay top dollar," he continues. "But, once we find a source, we aim to go back again and again." Producers appreciate getting full value out of their cattle.

CAB Natural comes from cattle that meet all requirements for the brand, have never received antibiotics or hormones, and are

on a 100% grass and grain diet. They are source-verified to birth and fed in "natural"-designated feedyards. Tyson will market other natural beef products as well, as consumer demand builds a billion-dollar niche. BMG, a cooperative of Kansas and Nebraska feedyards, was the first to participate in the initiative.

"We had to go to a lot of places, including Superior Livestock Video Auctions, to find the volume and quality," Butler says. By year's end, he had more than 15,000 eligible cattle on feed.

Producing for profit

Networking with the animal-health industry helped uncover some deserving sources. Chuck Baum, sales representative for Merial, pointed BMG toward Terry Reetz, Crete, Neb., and Kim May, Walton, Neb.

"BMG called me because Chuck had told them we had Angus cattle that were age- and



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source-verified and on the SureHealth™ program, like they were looking for," Reetz recalls. He operates a 200-cow commercial Angus herd with son Jared.

"It was in October, and we never sell till after the first of the year — but never say never. We were doing everything they wanted, so why not get paid for it? We had weaned in early September because it was so dry here, and, by the day after Thanksgiving, the steers were sold and gone." The steers went to Lewis Feedyard, near Kearney, Neb.

Other BMG feedlots involved include Thomas County Feeders Inc., Colby, Kan., and Central Feeders Inc. and Knight

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►Kim May says he started his cow herd to clean up his lower-quality hay, but through BMG, the cattle have proved their worth.

Feedyard Inc., both near Lyons, Kan. Mull Farms & Feeding Inc., Pawnee Rock, Kan., will enter the natural feeding chain later this spring, Butler says.

Considering the bid, along with the risk from winter weather, Reetz sold last fall. When a blizzard hit the Kearney feedlot just a day after arrival, he was worried about them, but none of the calves got sick. In the 1990s, he began giving preweaning vaccinations against respiratory disease, followed by boosters at weaning. Calves also get an anti-scours vaccine at birth to make sure they start healthy and stay healthy.

Reetz grew up on a dairy that had a half-dozen Simmental cows on the side. He switched 14 years ago to an all-beef herd using Angus bulls from Quirk Land & Cattle, Dean Christensen and the University of Nebraska. He put up with gray calves for a time, but last year all the calves were black.

"I decided early on to go with the best bulls we could afford because it would pay off in the calves," says Reetz, whose family also farms 2,000 acres of cropland. "We had our cattle custom-fed for three years in the late 1990s, and Dean had bought the last three calf crops to feed, so we knew something about how our calves should perform — but nothing like we hope to find out now through BMG," he says.

By April, Reetz should have the kind of detailed, individual carcass data that will allow derived individual feedlot information and herd culling. Now when building ideal cow families, he looks for the answer to a single question when deciding whether to

keep heifers from certain bulls — "can they do it all?"

Learning what works

The BMG information system is based on complete transparency and committed integrity, Butler says. "We have a transparency between and among members of the organization. We even review feedlot performance collectively. That may be out of the box for traditional feedlots, but we are not traditional feedlots," he says.

"This allows us to keep learning what is working, what is not working and why," Butler continues. "When we buy calves from producers who want to establish long-term relationships based on integrity, then we will share information accordingly."

May also looks forward to the data, while admitting that price was the first attraction. "This is the first year I felt like we really got paid for the health program on our steers," he says.

The decision to get into BMG was "a no-brainer," May notes. "I couldn't see any downside to it, and there is a lot of upside potential.

"The value-added programs sound really great, but until you get the chance to participate, to realize the extra dollars, it doesn't really take hold," he adds. "Feedlots have gone through a learning process as to what the packer wants, and they go after the calves to make it happen."

May runs a 150-cow (mostly commercial Angus) herd, but also partners on a small registered herd. Excel Angus is owned with

cattle manager Dennis Dowding, who takes the lead in bull selection.

"We always fall-vaccinated, but just for the last three years have we been SureHealth-certified," May says. "These [2005] calves had the tags to verify birth dates, too. We wean and give the first shot, then wait 14 to 21 days to give the booster — we don't have the facilities in some pastures to vaccinate and turn back out for preweaning shots, and this has been working."

They have retained ownership of cattle on feed in the past, but the cattle were penned with purchased calves for average closeouts and group data from the packer. "We implanted calves at that feedlot's request, but have not implanted for the last couple of years," he notes.

May started with average black baldie cows as a way to use lower-quality forage from his hay enterprise. "As the herd grew beyond 100 head, we got into some more farms with pastures and stalks, but the cattle didn't always return what we put into them. The last few years have been much better," May says. "Now, the cow herd is something we feel like we need, rather than a cleanup utility."

Gaining respect

High-quality cattle have gained respect in the western Cornbelt, Reetz and May say. "For the last three years, cattle have made more money than grain, and that gives them more weight in the enterprise mix," Reetz says. "With corn, you can do everything right, but productivity and high yields keep prices down. Cattle provide more opportunity to add value."

There is profit-stimulated investment in higher quality cattle for many, May agrees. "Cattle used to just maintain themselves, and you didn't do much with them. But, you have to increase bull quality and cull harder if you want to build better cattle like BMG is looking for. We will pay more attention to carcass traits now as we have more information to draw from."

Priming the pump to get this supply chain started has been a challenge, Butler admits. "Our success depends on building relationships based on integrity, so that we don't have to discover all new sources every time we buy. I think we are off to a great start."

BMG owns all the cattle it feeds while evaluating its complete system and value-based agreements with Tyson. As trust and value relationships grow, cow-calf producers may be invited to share ownership with BMG, Butler adds. The first step is to contact the group at (303) 748-3225 or jbutler@beefmarketinggroup.com.



► May says he appreciates receiving data on his cattle, and the increase in profit doesn't hurt either.