

# Joining Forces



## Breeders partner for marketing leverage in the Southeast.

by **Boyd Kidwell**

**H**ow can small-scale seedstock producers make a big impact on the beef business? By forming a marketing partnership, says a group of North Carolina Angus breeders.

While traveling on a cattle tour 10 years ago, Ike Jackson of Elizabeth City, N.C., and Wolfgang Lotz of Cedar Grove, N.C., came up with the idea of joining forces to breed and market high-quality Angus genetics to Southeastern cattlemen.

"In those days, 'alliance' was the buzzword, and we were looking for ways to expand our ability to market bulls," says Jackson, who raises Angus cattle at Pasquotank Farms near the North Carolina coast. "We realized that we needed to offer large numbers of bulls to attract volume buyers. By myself, I can only market 40 bulls a year. As Angus Advantage, we sell 235 to 250 bulls at our annual sale."

"Both of us had consigned bulls to the state test stations. That was fine, and we had sold bulls at our farms. But we could see that you need to sell at least 150 bulls to attract volume buyers, and neither of us were large enough to organize a sale like that alone," says Lotz, who owns FairCrest Angus.

### Genetic attraction

Jackson and Lotz were already using similar genetics. As their partnership

evolved, they began working together on decisions about sire selection. Jackson has long been a fan of Sitz Angus and has visited the Harrison, Mont., family ranch. The eastern North Carolina cattleman calls the Sitz Angus herd the most uniform group of functional cows he's seen. Impressed, he purchased a few females, but most Angus Advantage bulls are from artificial insemination (AI) on cows born in North Carolina.

"We've used a lot of Sitz genetics. Our genetics are similar to herds out West, but the calves are born here and acclimated from birth to our hot, humid conditions," Jackson says.

To attract customers, the Angus partnership sells a sizeable number of 2-year-old bulls and a few 3-year-olds. Southeastern producers often keep their cattle in large pastures with multi-sire herds. In these situations, it takes a mature bull to go into a pasture with older sires and hold his own.

Angus Advantage bulls are raised primarily on pasture and supplemented to gain 3 pounds (lb.) per day until they are 12 to 14 months old. After being ultrasounded, they are returned to pasture and fed to gain 2 lb. per day until the sale. Before sale day, every bull receives a thorough breeding soundness exam (often

referred to as a BSE).

### Holding the advantage

A year ago, Angus Advantage added two more farms to the marketing partnership. Nutbush Farms of Durham, N.C., and Vandemark Angus of Spring Hope, N.C., purchased Angus Advantage seedstock and now sell bulls in the annual sale. Each year, the partners market 235 to 250 bulls at the November sale in Clinton, N.C. The sale also features 250 commercial heifers sired by Angus Advantage bulls.

"Due to the forages produced by swine nutrients, there's been an increase of cow numbers here in eastern North Carolina. Angus Advantage is well-positioned to take advantage of this because of its reputation and the number of bulls offered," Keaton Vandemark says. "I was complimented when they asked me to join. There aren't many sales that can offer this many bulls acclimated to conditions in the Southeast."

Most of the buyers are from North Carolina and South Carolina. But, many customers travel from Florida, Louisiana and other Gulf Coast states to find Angus bulls raised in conditions similar to their own.

"We've found a strong demand in the Southeast for 2-year-old bulls that are acclimated to our hot environment and fescue pastures. After being raised near the

North Carolina coast, these bulls are adapted to heat and humidity,” Jackson says.

The average price of Angus Advantage bulls at last November’s sale was \$2,100. Some bulls sold for \$1,300, and others sold for up to \$6,000. Commercial producers buy 95% of the bulls, Jackson says.

Ten of these bull customers also participate in the Friends of Angus Advantage Sale. This annual June event at Dobson, N.C., showcases registered Angus heifers and Angus cow-calf pairs from Angus Advantage customers. Hosting a female sale is an example of how customer service has helped these seedstock producers expand the value of their partnership. Even as they develop new services, the partners won’t lose sight of their main objective.

“We plan to keep producing quality bulls in volume for the commercial cattleman,” Jackson says.



## Long-distance partnerships

Nichols Farms provides a full slate of services for bull customers. The program starts with genetics. Founder Dave Nichols of Bridgewater, Iowa, is known internationally for Angus genetics that produce feeder calves with high carcass quality. Bull customers are then able to market commercial calves sired by Nichols bulls through a network of Nichols Genetics Source Feeder Auctions.

The calves sold in these sales are weaned, preconditioned, sorted into truckload lots and documented for Merial SureHealth™ certification by a veterinarian. The calves are identified with electronic identification (ID) tags and their birth dates are audited by a certified third-party auditor through a protocol that met the U.S. Department of Agriculture’s (USDA’s) requirements for the Japanese export program. The marketing cost of \$4 per head includes electronic ID tags and data management for the age- and source-verification program.

Through franchises, Nichols has steadily increased his scope of operations. Now, 10,000 calves sired by Nichols bulls are being marketed annually through Nichols Genetics sales in four states. Calves sold in these value-added sales bring \$50 to \$100 more than the average of calves sold at surrounding sale barns, Nichols says.

“I first met Dave when he came by our place on a farm tour. We were selling breeding stock at the time, but we weren’t providing any service to our customers,” says Tony Matthis of Clinton N.C. “I was impressed that Dave had fed cattle all of his life. Later, he asked me to come to Iowa and talk with him about a Nichols Farms franchise.”

As a result of this meeting, the Matthis family started Nichols Farms/North Carolina Division and began selling Nichols Genetics seedstock to other producers. In 2001, Matthis organized the first Nichols Genetics Source Feeder Auction in North Carolina. The program has grown steadily to include 30 producers and 1,000 calves in the 2005 North Carolina sale.

“You really need at least 1,000 calves to put on a sale like this. The more calves we send from this area to feedlots, the more impressed the buyers are,” Matthis says.

In addition to North Carolina and Iowa, Nichols Genetics Source Feeder Auctions are organized by franchises in Missouri and Illinois.

