



Quality As a Profit Center

Making the most out of available Angus genetics,
Wheeler Feed Yard wins 2007 Feedlot Partner of the Year.

Story & photos by **Steve Suther**

Southern Angus cattle are good and getting better, according to Don McCasland. The Texas Cattle Feeders Association (TCFA) chairman should know. He and his son Stacy have fed many thousands of them.

The McCaslands own and manage Wheeler Feed Yard, a 32,000-head enterprise just west of its namesake town in the Texas Panhandle. The company, which became Certified Angus Beef LLC (CAB)-licensed in 2002, was named 2007 CAB Feedlot Partner of the Year for those with at least 15,000-head capacity. Don accepted the award at the CAB Annual Conference Sept. 15 in Savannah, Ga.

Texas is not known for its high-quality Angus cattle — not yet, not overall.

Wheeler's two biggest Angus seedstock partners are based in Oklahoma. Spur Ranch, Vinita, Okla., helps channel some progeny from its bull customers interested in feeding. Hutson Angus Ranch, Elk City, Okla., offers a retained ownership sharing

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— Don McCasland

deal through its alliance with Nebraska-based Profitmaker Bulls Inc.

CAB's Gary Fike, the Kansas-based beef cattle specialist who works with Wheeler Feed Yard, says the McCaslands stand out for their ability to feed and market Angus cattle.

“It’s very apparent that they target the brand as a priority,” he says.

“They have seen the opportunities that high-percentage Angus cattle present, not only in grid premiums for the yard, but in producing a quality product for the consumer,” Fike says. “Firsthand, they’ve seen the quality of their own ranch cattle soar, and they know the economic advantage of feeding those calves.”

Angus demand

Stacy says all of the feedlot's ranching customers “are using Angus bulls, and they want higher quality in the meat. We work with them to feed and sort their cattle to hit the grid targets.”

But such customers make up a very small portion of the base, so the McCaslands have used other means to increase placements of Angus cattle in their yard. “We have put some of our higher-volume commercial customers onto Angus,” Stacy says.

► **Above:** “Every animal I buy coming out of the South is black,” Don McCasland says. “Our order is designed to bring us about 80% Angus genetics.”

Table 1: Top 10% premium and summary of harvest groups, Alabama salebarns*

Harvest date	Hd.	Weight		Days on feed	ADG, lb.	Market price		Premium/hd.	% Ch	% CAB	% YG 4-5	dress %
		In	Out									
3/20	44	478	1,184	230	3.06	\$98	\$104.73	\$79.68	80	32	9	64.9
3/24	44	469	1,180	266	2.67	\$98	\$104.00	\$70.80	93	45	16	65.5
4/9	36	544	1,154	222	2.75	\$100	\$106.25	\$72.13	81	33	8	64.8
4/27	42	552	1,212	212	3.11	\$96	\$102.39	\$77.45	81	26	7	63.4
4/27	42	475	1,250	240	3.23	\$96	\$104.28	\$103.50	88	38	24	63.9
5/11	42	478	1,216	240	3.33	\$96.5	\$103.68	\$87.31	90	48	10	63.9
Top 10%	42	499	1199	235	3.03			\$81.81	86	37	12	64.4
Jan.-May	2,773	520	1200	245	2.78			\$36.09	73	21	18	64.3

*Black heifers sold on Tyson real-time grid, January through May 2007.

Don keeps an Alabama buyer busy most weeks of the year. “Every animal I buy coming out of the South is black,” he says. “Our order is designed to bring us about 80% Angus genetics.” The Alabama buyer is to bid on black, English heifers, but he is not to get carried away bidding.

“I can’t afford to buy the market-topping, first-tier kind at \$10 over the average,” Don says. “The second-tier blacks may not have as much bloom as the top sellers, but we are doing all right.”

Those weighing 350 to 400 pounds (lb.) go to contract growers until they reach 475 lb. The 450- to 500-pounders are shipped directly to Wheeler. They typically get two implants while at the feedlot, the first usually delayed until 30 days after arrival.

“We get the best results on the 475-lb. heifers that come straight to the yard, despite more health challenges,” Don says. “They are

some of our best grid cattle, typically \$40 per head over the cash market. That’s our measure. The worst we do is break even with cash.”

From January through May this year, 2,773 of those heifers made 73% Choice or better, with 21% qualifying for the *Certified Angus Beef*® (CAB®) brand (see Table 1).

“That’s in a segmented industry, on salebarn-bought blacks,” Stacy points out. “It says a lot about what the Angus breed is getting done on small farms in the South. No, we can’t go back to exactly the same farm, because one closeout may represent more than a dozen farms.

“But look at what we can do. We can buy a heifer at 475 lb., make her weigh 1,200 lb. in seven or eight months and sell her for \$40 over the market,” he recounts. “What do you want for a nickel? To us, that’s a home run.”

Motivating factors

Seasonal shopping is part of the winning strategy. Including all hedging, the McCaslands try to keep risk management costs to less than \$1 per hundredweight (cwt.). “When I buy calves,” Don says, “I am always conscious of when they will come out, trying to keep away from selling in the summer slump.”

He also maintains a 700-cow Brangus-based cow herd, with some of the younger females carrying an extra generation of Angus genetics. Progeny, including those ²/₃₂ Angus calves, graded 88% Choice or better this year, with up to 7% Prime and 35% CAB.

Don was not always as proud of his grades. “I had been using Continental bulls on them, but the genetics kept pulling down on the grade. So, we switched to Angus bulls.

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► Don attributes the improvement in quality grades and premiums to Angus genetics. “I didn’t do anything but change bulls and went from 20% Choice to 80% or 90% Choice,” he says.

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► From January through May this year, 2,773 black, English-type heifers the McCaslands purchased through the salebarn made 73% Choice or better, with 21% qualifying for the CAB® brand. "It says a lot about what the Angus breed is getting done on small farms in the South," Stacy McCasland points out.

"We're not breeders; we're feeders," he notes. "All I know is, on mine, I didn't do anything but change bulls and went from 20% Choice to 80% or 90% Choice," Don says. "I'm just as hard-core, low-labor as you can get. There's hardly a crossfence on the ranch. It's in brush country, and we're not individually tagging calves, but we know the first and last dates, so we can get age- and source-verified premiums."

Many Texans could do that, but most lack motivation because they sell at weaning. "If Texas wants to produce CAB, we can do it by picking the right bulls," Don says. Once genetics start to kick in, there's ample motivation for retained ownership.

"Say a cow-calf guy makes \$150 per head by selling at weaning," Don ventures. "The stocker operator

projects he can make \$30, the feedlot makes \$30 — if he grids them, I have proven he can add \$40. That's another \$100 per head.

"I source- and age-verify to add \$25. You might say we could add another \$25 by preconditioning, effectively doubling the profit to \$300 per head," he says. "These are profit centers, and you can quit making a profit wherever you choose to."

When the McCaslands talk to producers, mostly from New Mexico to Alabama, they always point out the critical importance of the ranch source. "The cow-calf producer is in control, starting with genetics," Don says. "He can invest in proven Angus genetics or buy the neighbor's bull that was supposed to be sired by a son of an Angus bull. There will be a difference in the feedlot and on the grid."

