

ANGUS

BEEF BULLETIN®

"The Commercial Cattleman's Angus Connection"

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ANGUS MEDIA

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All the Pennies



That Make a Dollar

Idaho producers stack premiums to make cattle any market will value.

Story & photos by
NICOLE LANE ERCEG,

for *Certified Angus Beef LLC*

You can't really find South Mountain, Idaho, on a map. It's not a town. There is no cell phone service, and some of the locals still thrive without electricity. To call it rural is an understatement, but the beautiful mountain commands the border with Oregon and nurtures Morgan Ranches, a commercial Angus outfit run by David and Ann Rutan.

The Rutans have deep roots in ranching, going back more than 150 years on Ann's side, but Morgan Ranches wasn't passed down from family — at least not blood relatives. Walter

and Grace Morgan put together the foundation for the herd David and Ann manage today. Walt was born in the Idaho high desert and spent his whole life raising cattle there, the best cattle he could breed and feed.

The dedicated cattleman passed away in 2001, but his wisdom and mentoring live on in his herd and the Rutans' way of raising beef. David began ranching with Walt in the mid-1980s, when all of the Morgan cattle were Hereford, with a touch of Shorthorn. Today, it would be mighty hard to find a fleck of white or any other color on Morgan Ranches.

"Walt always had this saying: 'Hope for the best, prepare for the worst and take her as she comes,'" says Ann. "If you follow that advice, you'll be ready no

matter what the market or anything else does."

The transition to Angus nearly 20 years ago positioned the herd for excellence, and the Rutans built it into 650 cows that produce the highest-quality beef under some of the strictest specifications. Calves fit almost any feedyard's program: They are AngusSource®-verified, all natural, qualify as non-hormone treated cattle (NHTC), raised according to level four Global Animal Partnership (GAP) standards and also have a Premium Nutrition Network endorsement.

However, all the certifications in the world don't mean anything if the cattle won't grade.

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All the Pennies that Make a Dollar *(from cover)*

A steak to remember

Unlike many beef producers, David isn't just focused on getting his cattle sold at a good price to the feedlot. He and Ann care about how their cattle perform all the way through the production chain — from the ranch to the feedlot to the packer and plate.

"Basically we are feeding people, and when I go to a restaurant, I want to eat a good steak," he says. "No one likes a bad one. We feel like when we are trying to produce something good for the restaurant or consumer, we need something that's better, because people are willing to pay a lot for something that is good."

Each year the family travels to Reno, Nev., to be there when their cattle sell through the Western Video Market. Family tradition always includes a dinner at Sterling Steakhouse, and last year they all chose to indulge in a *Certified Angus Beef*® Prime ribeye.

The couple says it's beef like that steak they are still talking about a year later that they want to raise. Even though they live nowhere near a steak house and don't shop at Whole Foods, they want to produce cattle that can go there because people are always willing to pay for quality.

"Your overhead is the same to run a good one as it is to run a bad one," says David.

Meticulous bull selection

The focus on excellence in all areas of production starts with genetics, the base for success. No matter how good the management, without enabling genetics, there's limited potential. That's why he strives to get the best genetics and then use effective practices to help his cattle realize their expanded potential. David's bull-buying habits are not like those of traditional commercial breeders: "I want the best they have."

"No," his wife retorts. "You want the best Angus they have."

The Rutans manage a fall-calving herd, which opens the door to involve a bull partner. To achieve his goal of only the best Angus bulls, David partners with Neil and Sandy Helmick who operate a spring-calving herd at nearby Helmick Ranches. The synergy expanded their bull budget and increased dollars available for quality.

"When you are splitting the cost, you only have to buy half of them, so you can give more for your bulls," says Ann.

The partnership brought other management benefits, too. After they began using the bulls at least twice a year, the Rutans' bull injuries decreased by 90%. Using the bulls on a regular basis has kept them in shape and reduced fighting.

"For everyone who understands how fun it is to have bulls around with nothing to do, it's a wonderful day of the year when you get to put them on a truck and send them somewhere else," David says.

Before investing in genetics, David sits down with the Spring Cove Angus bull sale book and spends days color-coding and making notes to determine which bulls fit his selection criteria. Requirements include expected progeny differences (EPDs) that are at or above breed average. That means all EPDs. The marked catalog has every number highlighted. Yellow signifies an acceptable EPD; pink is average, but acceptable; and any marked red (below average), he refuses to even look at.

"I never had any doubt that he could pick a good bull, because whatever he picks as his top choice, so do all the other bull buyers," Ann says.

His partnership and budget allow him to compete with major buyers and get bulls many commercial producers couldn't even dream about. Meticulous bull benchmarks allow the Morgan Ranches herd to benefit from multi-trait selection, creating both a functional cow herd and an excellent terminal product.

Taking a break from the ranch

David doesn't put his trust in genetic investment to know that he's creating a good feedyard animal or an excellent steak. Each year, he and Ann visit a feedyard that purchased their cattle to see how they are performing. They have seen their cattle fed in Colorado at Bledsoe Feedyards, at Beef Northwest in Oregon, and at Beef Marketing Group (BMG) feedyards in Kansas. On their way back from Angus Convention last fall, the couple stopped at three feedyards in Nebraska to chat with owners and managers.

"I always want to know how the cattle turn out," David says. "When you buy all these bulls with wonderful EPDs, you want to know what you are getting in the end."

Connecting with feedyards has added to their bottom line in relationships, perspective and repeat buyers, the

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All the Pennies that Make a Dollar *(from page 2)*

couple says. Conversations with feedyard managers have made David break out his sale book and discuss with the feedyard owner how he could change his genetic selection to better suit his customer. The relationships built with feedyard operators across the country also helps them get carcass data, something he and Ann both want to see.

“That’s your report card,” Ann says.

Carcass data tell whether they’ve created a good product, and David wants to see 100% Choice or better. Though the couple raises natural beef, and they don’t always know if calves qualified for the *Certified Angus Beef*® brand, they strive for that level of quality.

In 2009 BMG called to let the Rutans know their cattle went 87% Choice. At first David was disappointed because he thought they should have done better than that. Then he learned the other 13% graded Prime, as well. Their cattle have made as high as 72.5% CAB. That ability to grade is just as important as the other premium programs their cattle are involved in because the Rutans want to provide the best for everyone from feedyard to consumer. Calves that fit into any program and grade consistently excellent make for consistent premiums.

Running a herd based on relationships means leaving the ranch more than most, but they see each trip to a feedyard to sell their cattle, view bulls or promote the Angus breed as time well-spent.

“Don’t spend all your time doing \$5-an-hour work when you need to be doing \$50-an-hour work,” David says.

Moving forward

You can drive thousands of miles from South Mountain and never find other commercial breeders like the Rutans. They’ve mastered raising a quality beef product, understanding the full beef production chain and their impact on it, while always looking for ways to get better. They have seven children and 11

grandchildren, and they hope some will take up the reins in the future. Family is the reason they get up every day and work together to build the legacy that includes a strong herd and a reputation for creating excellent beef.

Looking forward, David and Ann aren’t sure what the next change in the industry will bring, but they’re sure they won’t be left in the dust.

“I remember when we got our premise ID number and people asked me if I thought every cowboy was going to ride around with a laptop on his horse,” David says. “I said no, but the people that don’t are still our competition.”

He looks at premiums as a way to improve the herd and fill out the bottom line, but also as a way to broaden his customer base. In David’s eyes, the more inroads to premium programs, the more potential built in for buyers. Each part of his program, from targeting the CAB brand to selecting superior genetics, certifying animal welfare or traveling to build relationships — those are the pennies that add up to make each Morgan Ranches dollar.

“I don’t encourage anyone who doesn’t want to do something,” he says. “However, those of us that do will get rewarded for it. Especially if I stack enough of these programs together, they are going to bring a premium to the average.”

For a couple who lives in the middle of nowhere without cell phone service or broadband Internet, the Rutans certainly realize the times, technology and markets change. They will continue to raise cattle that flourish in today’s marketplace.

“You can either get on board or you can get left behind,” Ann says.

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Editor’s Note: *Nicole Lane Erceg is a freelance writer and former industry information intern for Certified Angus Beef LLC. She also was a 2015 Angus Media editorial summer intern.*



“I always want to know how the cattle turn out,” David says. “When you buy all these bulls with wonderful EPDs, you want to know what you are getting in the end.” On the way home from last fall’s Angus Convention, he and Ann stopped at three feedyards in Nebraska to chat with owners and managers.