

Going With the Flow

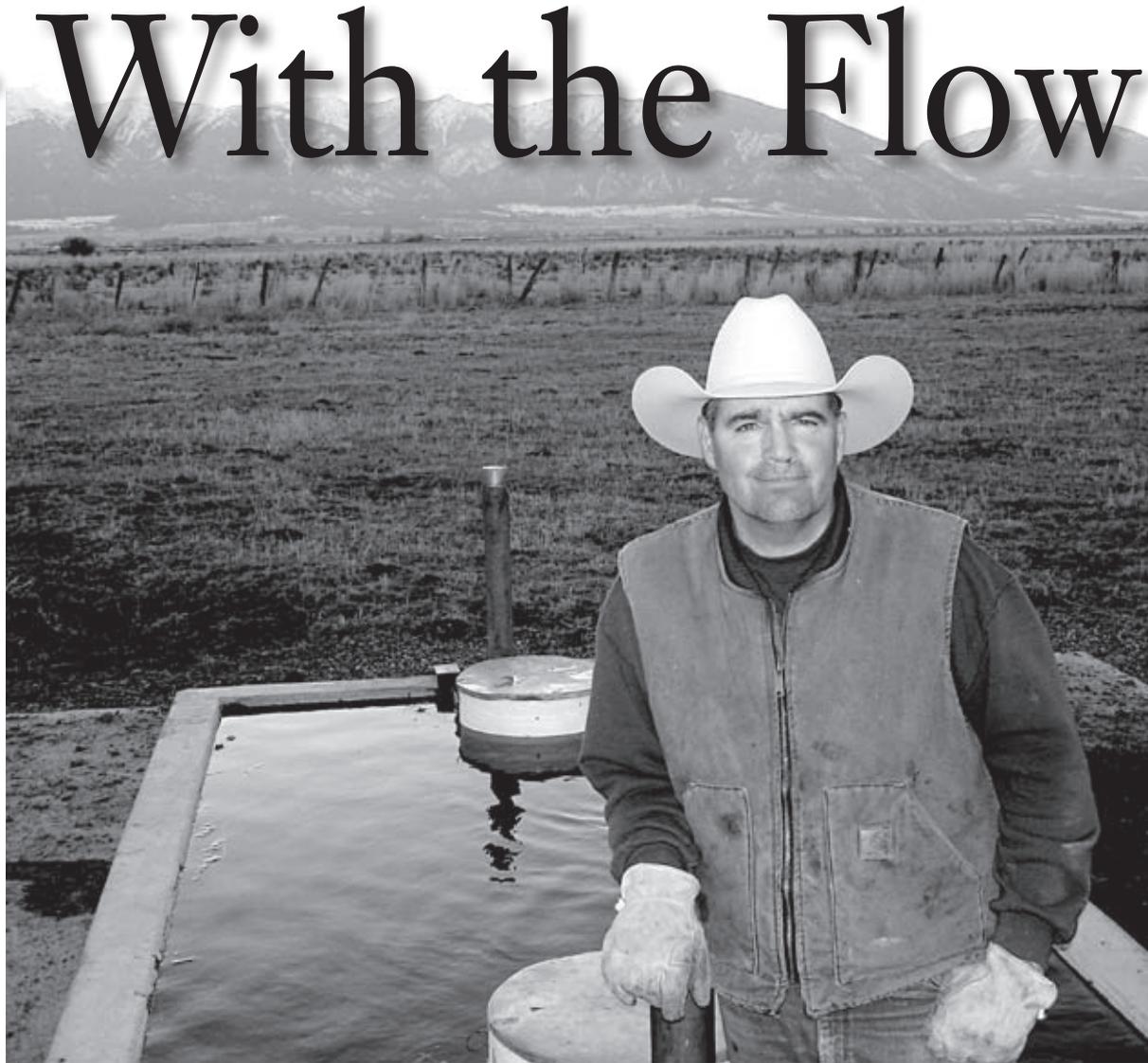
In today's cattle production environment, the right heifer replacement strategy can make you money, but you'd better make sure you have the resources to follow through.

Story & photos by
ED HAAG

Mike Widman of Baker City, Ore., has a reputation for being one smart operator when it comes to making money on heifers. In addition to managing a commercial herd of 500 mother cows, the savvy cattleman has made an art of squeezing a dollar out of young females.

"Mike has all the angles covered," says Rod Wesselman, American Angus Association regional manager. "In addition to raising his own replacements, he does very well buying and selling."

Wesselman adds that one reason for Widman's success is his ability to stay well-informed and to have the resources to respond to the market



Widman's replacement heifers are given every opportunity to thrive, including fresh water in every pasture.

accordingly. Another is to have the flexibility to change his game plan when the market shifts unexpectedly.

He cites, as an example, what he views as a classic Widman gambit. "Mike will buy some quality

spring heifers in the fall when the prices might be soft, then winters them on his ranch," Wesselman says, adding that in the spring Widman will breed them by artificial insemination (AI). "When the price for bred heifers is good, he will then turn around and sell them. When the market isn't there for heifers, but it is good for cows, he will sell cows out of his herd and keep the heifers as replacements."

Buy low, sell high

If Widman's overall heifer strategy has an underlying philosophy, it is "buy when everyone is selling and sell when everyone is buying."

"I have been following the same rule for over 30 years," Widman says. "If heifers are high, I sell them. And if they are cheap, I buy, breed and keep them."

This counter-cyclical approach gives the Oregon rancher an opportunity to build his numbers, cull his older cows and introduce new genetics into the herd — all at a time when he can get the most bang for his buck.

When replacement cows were at a premium, Widman was selling almost 50% of his heifers. Now, with softer prices, he is retaining 75% of his quality females and focusing on herd growth.

"The cow numbers nationwide are down to what they were in 1955," he says, adding that after two years of lower cattle prices and higher input costs, prospects for improved profit margins appear to be brightening.

They have to look right

Wesselman points out that one advantage Widman has over others trying to make money on cattle is that he has a good eye for selecting animals that will make quality mother cows. He adds that this ability has served Widman well both when he is purchasing heifers and selecting replacements from his own herd.

Widman attributes his heifer evaluation skills to a lifetime of practical experience and a commitment to an ongoing learning process.

"I try to keep up with what is going on, and I am very serious about how I select my mothers," he says. "They are my bread and butter."

Whether it is raising his own heifers or purchasing them for eventual resale, Widman is a stickler for quality.

"If you can't raise good stock, why bother at all," he says. "The good ones will sell themselves; the poor ones I'd rather not deal with."

With his own heifers, Widman



Raising replacement heifers works for commercial operations large enough to shoulder extra demand.

subjects them to a three-part evaluation process.

“At weaning in the fall we will take out the ones we want, then we will go through them again after the first of the year,” he says, adding that those remaining animals will fall into one of three categories — designated replacements, retained ownership feeders or bred commercial females.

A final screening takes place in September when the bred heifers are pregnancy-tested.

“That is when we cull out the open cows and then separate the rest into two groups based on how they breed, whether it’s the AI (artificial insemination) or the bulls,” Widman says. “At that point, depending on the market, we will sell some or put them all in the herd.”

Widman uses a specific set of criteria when selecting his breeding stock.

“I start with the medium-framed heifers,” he says. “Then I look at their disposition and their eye appeal. That means good conformation, a tall back and a deep body.”

Particular attention is paid to those characteristics that Widman feels will favor calf growth and health on the range.

“They have to have a nice udder attachment and small teats so that their calf can get on them without too much trouble,” he says. “I don’t like to have to milk cows.”

Quality all the way

Once Widman makes his initial fall selection, his prospective breeding heifers are wintered in his feedlot on long meadow hay and a liquid supplement.

“A month before we breed them, we kick them out of the feedlot and put them on good irrigated pasture to flush them good,” he says. “Nothing too hot or lush ... just good-quality May grass.”

In the third week of May, when the heifers have reached a body weight of 800 pounds (lb.) or more and are cycling, Widman has them bred.

“Allan Yost, from All West Select Sires, comes down from Sunnyside and does that for me,” he says, noting that approximately 75% of the animals that are AIed become pregnant. Another 20% are handled naturally by his cleanup bulls. “We average between 95% to 97%, depending on the year and circumstances.”

Widman notes that there are still many commercial producers who view AIing their heifers as an unnecessary bother, but for the Oregon calf producer it is both an opportunity to introduce new genetics into his herd and an important tool for controlling the size of a heifer’s first calf.

“We always AI with semen from low-birth-weight bulls,” he says. “I am careful to check back for three generations of calving ease on both my AI sires and my cleanup bulls.”

After providing quality heifer care, from his initial selection through breeding, Widman is careful to extend that treatment into calving. He points

out that his specific calving location depends on the weather. When it is favorable, the heifers are placed in a 40-acre meadow. When it is severe, Widman moves them into 3-acre calving lots.

Once a group of heifers has calved, Widman is careful to move the group to a clean pasture. He never leaves the animals on the same ground for more than 2 weeks.

“I have 14 fields on the ranch that we can rotate the pairs through to keep the scours out of them,” he says. “Each one has its own concrete watering trough, so no matter what field we put pairs in, they have access to fresh water.”

Widman is the first to admit that running a heifer development operation involves considerable resources and isn’t for everyone. “If you are going to raise

your own replacements you need to do it right,” he says. “Otherwise you are better off buying them.”

Economy of scale

Dan Childs, senior ag consultant for the Samuel Roberts Noble Foundation, agrees that for operations the size of Widman’s,

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raising heifers for replacement and sale makes good economic sense. He points out that one effective heifer replacement strategy is to take advantage of periodic cattle price cycles to maximize profit.

“Rather than maintaining a static herd number every year, people who raise their own replacements might choose to keep

the same dollar value of replacements rather than looking at it on a per head basis,” Childs says. “So when you are in the depressed part of the cycle, when prices are down, you actually keep more heifers, preparing for a cow herd that is going to hit higher calf prices when they come into production.”

But, for smaller operations, the advantages of raising animals vs. buying them aren’t as clear-cut.

“If a calf producer runs less than 300 mother cows, we generally try to get him to start thinking seriously about buying his replacements,” Childs says, noting that in most instances the smaller-scale operator

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— Mike Widman

does not have the economy of scale to justify the kind of resources required of such an endeavor. In other words, the limited number of heifers participating in a development program does not justify the resources expended.

He goes on to point out that in these situations the time and money used to raise replacements could be more wisely applied to the task of producing the primary cash crop — beef calves.

Penny-wise, dollar-foolish

Childs cites, as an example, a typical 100-head cow-calf operation with limited carrying capacity.

“If you produce all the forage on a 100-mature-cow unit of land, it takes about 18% of that forage base to raise replacements,” he says. “That reduces your cow herd down from 100 to 82 cows.”

In addition to seeing an actual reduction in the number of producing mother cows, the commercial producer who chooses to raise his own replacements is faced with changes in his genetic selection that are likely to result in reduced production.

“By adding maternal traits to your bull requirements, you have to compromise on your terminal traits,” Childs says. “That means giving up several pounds of weaning weight and yearling weight to raise those replacements.”

The only alternative, Childs says, is to maintain two herds and sort off the top-gaining cows and use maternal-trait bulls on those animals and terminal-trait bulls on the rest.

Finally, there are the management issues that surface when heifer development is added to an already demanding calf production regimen.

“When replacements are included in an operation, a producer goes from managing one herd to managing three herds,” he says. “In addition to his regular commercial herd he has his herd of virgin heifers that must be separated from bulls between weaning and breeding and his first-calf heifers that also need to be separated from the main herd.”

To learn more about whether or not your operation should be buying or raising heifers, access Texas A&M Bulletin E-371 01/06 at <http://animalscience.tamu.edu/images/pdf/beef/beef-buying-vs-raising-replacement-heifers.pdf>