

The Best and the Worst Decisions

Management can learn from practices that succeed and fail.

Story & photo by
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It's far more pleasant to revel in the rewards of a successful management decision than to regret the results of a poor one. Ranch manager Mike Spearman believes he has made some good decisions over the years — decisions that helped make the most of L Cross Ranch resources. Spearman says he can easily recall the ideas that worked, while his wife and son are quick to remember a few that fell short of expectations.

Spearman became manager in 1981, when the L Cross Ranch was formed by combining five smaller spreads located in south central Colorado's San Luis Valley. He must be doing something right, because he has remained at the helm for two decades, through five changes of ranch ownership. Spearman and the ranch's successive owners have faced

production and marketing issues typical of many cow-calf operations and the environmental and land management issues that are more peculiar to mountain ranches of the West.

The San Luis Valley lies at about 7,500 feet (ft.), surrounded by mountains where L Cross cattle graze summer ranges at altitudes approaching 13,000 ft. Meandering out of the mountains and through the ranch is Camero Creek. The L Cross encompasses nearly eight miles of the stream's riparian corridor, providing habitat for deer, elk, antelope and mountain sheep. Also inhabiting the creek's cold waters is the Rio Grande trout, a threatened species. Becoming rare these days are neighbors who actually ranch for a living. Because of Colorado's exploding human population, real estate development has been gobbling up agricultural land in this area for about 10 years.

Considering the challenges of the cow-calf business, as well as the threat of encroaching suburban sprawl, Spearman was asked to elaborate on his two best and two worst management decisions affecting ranch profitability and sustainability.

The good, the bad and the ugly

"It's easy to talk about the best decisions. Those are your success stories. But who wants to talk about the failures? Excuse me, I should call them learning experiences," he says, with a grin.

"One of the worst decisions that I am willing to talk about involved the purchase of bulls whose sire had low-accuracy EPDs (expected progeny differences). Thirteen or 14 years ago, I started reading about EPDs and figured we had a great new tool to assist us with bull selection. But I had learned just enough to get me into trouble," Spearman adds.

After locating an impressive set of half-brothers with exceptional numbers, Spearman bought the bulls. They were big yearlings, full of muscle, with good weaning and yearling weights. They fit his criteria. He was impressed with their sire's EPDs, too, including the birth weight value.

"It took a couple of calf crops, with birth weights well over 100 pounds, to figure out that I had not studied the numbers completely. I hadn't considered the accuracies of the sire's EPDs, which were very low. He wasn't proven at all. And as the accuracy percentages for his numbers increased, so did his birth weight EPD," Spearman admits. "Now, the accuracies are some of the first numbers I look at when evaluating bulls — not the last."

Another decision that Spearman regrets is altering the ranch's calving season. After suffering through a string of severe winters and related calf losses, during the early '90s, he decided to wait an extra 30 days before turning out the bull battery.

"I had spent the previous several years trying to concentrate calving into February and March, and had been successful. But I began to think every winter was going to be rough, and made the conscious decision to delay calving until March and April,"

Spearman explains. "For our mountain ranch, our particular set of circumstances and our resources, this was a bad decision."

Ramifications included younger, lighter calves at weaning. In order to sell steers at a desirable weight, they had to be carried over into the next calendar year, which created tax consequences. Fewer heifers reached the target breeding weight and conception rates were lower for those yearling heifers, and also for mature cows. Prior to the change, about 80% of the cows were bred before the herd was moved to public lands grazing allotments. After the change, more cows had to be bred while on the high ranges, but the bulls simply weren't as efficient in the big, rough mountain pastures. And since calves were smaller when pairs were moved to the mountains, losses due to predators increased.

"And we didn't save any significant amount of feed by calving later," Spearman adds. "We usually have to feed cows from January 1 through the middle of May, and the only potential savings is the difference between the cost of the precalving ration and the cost of the postcalving ration. That was minimal and not enough to recover what we were giving up. And, you know, the winters have been mild ever since we changed."

Spearman has since decided to return to a calving season that starts in February. He has discovered that backing up is a very slow process. If spring nutrition is held at a high level, it's possible to back a cow up by one cycle per year — if you're lucky.

"Your calving season will be spread out for a long time," Spearman laments. "I truly believe, if I had that to do over again, it would be easier and less expensive to sell the cows and buy back early calvers."

Relate good decisions

More fun to relate are the two best decisions. The first involved establishing marketing goals that shaped the current L Cross production system, introduced technology and alternative markets, and created opportunities to realize added value.

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Prompting cattle producers to consider all potential consequences of their management decisions, Colorado rancher Mike Spearman shares some of his own regrettable choices, as well as some of his best decisions. Spearman has been a speaker at forums including the 2001 Range Beef Cow Symposium, Casper, Wyo., and the 2002 Nebraska Grazing Conference, Kearney, Neb.

keting goals. We just raised a calf crop and hauled it to the sale on or about the same day each year," Spearman says. "It really bothered me that the heifer calves brought so much less money than the steers. I began to think about how we could add value to the heifers."

Spearman recognized that black-baldie females were sought as replacements in commercial herds, but bred black baldies of consistent quality were scarce. He also knew that black-baldie steers were consistently popular among buyers of feeder cattle. They have a reputation for performance and are genetically qualified for both the Certified Angus Beef LLC (CAB) program and the Certified Hereford Beef (CHB) program.

"We chose to become producers of black baldies. We defined our target and figured out how to get there. We built a herd of quality Hereford cows and bred them to registered Angus bulls to produce what the marketplace was asking for," Spearman states. "Time has shown this to be one of the best decisions we have ever made. We can truly say that production on the L Cross Ranch is customer-driven."

Today, Spearman calves about 450 cows. Their steer calves are weaned in early October and backgrounded for 60 days to add value. Typically, the steers are marketed in late summer, by video auction, for December delivery. Heifer calves are held and marketed the following year as bred replacement females or as spayed feeder heifers.

Heifers chosen as breeding heifer candidates undergo pelvic measurement and reproductive-tract evaluation. Those making the final cut are flushed, synchronized and bred artificially to easy-calving Angus sires. Normally, early summer finds all bred heifers contracted for October delivery. Usually, feeder heifers are marketed during spring and fall, including 400-500 heifer calves that are purchased, spayed and grown to a 750-pound (lb.) target weight.

Spearman says the other best decision has little to do with production or marketing of cattle, but it has much to do with the sustainability of ranch resources. As development closed in around three sides of the L Cross, raising the land's appraised value, the owners were trying to decide whether to sell the ranch or subdivide it themselves. At Spearman's urging, they chose to explore another option.

"I told them that there might be organizations willing to assist us in creating and selling a conservation easement on the ranch. If accomplished, the owners could receive the full appraised value for their ranch while saving it from subdivision," Spearman explains.

After two years, partnerships with the Nature Conservancy and the Bureau of Land Management (BLM) resulted in a plan to preserve the L Cross Ranch for agriculture as well as for wildlife. The land and water rights are protected from development.

"The ranch did sell. But the new owners, Steve and Shelley Marmaduke, are conservation-minded. They never

wanted the ranch for the purpose of subdividing it, or to sell its water. Protecting it through the conservation easement suited them," Spearman says. "I see this as the most important decision we have ever made on the ranch. As a result, this special mountain ranch will remain in agricultural production in perpetuity."



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