



PHOTO BY KASEY BROWN

Feed for Thought

Feedyard owner asserts feeding cattle can be both possible and profitable.

by **KASEY BROWN**,
special projects editor

Only a few hands went up when Shane Tiffany posed the question, “How many here feed out their cattle?” Despite the hesitancy in the room at the 2017 Beef Producers Seminar in Stanberry, Mo., the co-owner of Tiffany Cattle Co. assured attendees that both feeding cattle and retaining ownership are possible and profitable.

Having bought his 32,000-head-capacity feedlot with his brother Shawn 10 years ago, Tiffany shared that 50%-60% of the cattle ownership is cow-calf owners, 30%-40% are owned by stockers, and investors own about 10%. Tiffany Cattle Co. is a rare beast in that the custom feedlot stays full — with a three-year waiting list even — and doesn’t own any cattle.

He offered some advice to those considering taking the leap into feeding cattle.

No dumb questions

“We know that you are entrusting your entire livelihood to strangers, so ask questions,” he noted.

Ask about their marketing avenues. How do the cattle from this feedlot perform? The owner should be able to tell you. Tiffany shared the majority of their cattle go to two

packinghouses, and they average 90% Choice and only 12% yield grade 4s. He credits getting cattle with great genetics, but management also plays a part.

A proactive question is, “What should I do to ensure my calves succeed?” Tiffany asserts that calves should be prepared for the feedyard by already having vaccinations and being trained to eat from a bunk and drink from a tank.

A big misconception, he said, is that cattle get sent to a feedyard, get sick, and the feedyard gets paid.

“Sick cattle make no one any money,” he emphasized.

To keep the lights on, so to speak, a feedlot makes its money by selling feed. Pulling and doctoring cattle, and the resulting loss of performance, costs everyone money. Because of this, he said they have an extensive onboarding health protocol, including an autogenous vaccine for issues specific to their area.

Ask about how they can help you with risk management. Do they understand the markets? Do they use forward contracts? Do they hedge? What access to markets do they have? Tiffany highlighted that they own many shares with U.S. Premium Beef. Those shares give them access to that quality grid, which averages \$46 per head over the cash trade. It’s important to know how a feedyard can market

your cattle, especially if you retain ownership.

Can you get the carcass data back? Tiffany said they have many cow-calf producers who feed with them just so they can get carcass data to serve as benchmarking for the herd.

“You’ve got to feed with someone who can get the data back. Cash buyers don’t get you data,” Tiffany said.

However, he said some feedlots can buy a portion of the cattle and give data back, so there are options besides completely retaining ownership.

What is the cost of gain? Having calves ready for the feedyard — with documentation — improves the cost of gain. Without documentation of health protocols, they have to assume the worst and revaccinate calves and start them more slowly.

How many head are necessary to send? How do they commingle cattle?

In addition to asking as many questions as you need to feel comfortable before making the decision to send cattle to a feedyard, Tiffany recommended making a trip to the feedyard itself.

Make a trip

Even though travel can be difficult, make the trip and meet the people, Tiffany advised. Is the place clean? Mud is a huge drag

on performance, so how often do they clean pens? Is there junk lying around? Feeding is a detail-oriented business, and Tiffany advises looking at whether they carry those details to the appearance of the place, too.

More importantly, though, feeding cattle is really a people business. Tiffany says he spends about 1,000 minutes on the phone each week with 250 customers. Open communication and trust are paramount to feeding cattle.

Tiffany used to be a cattle buyer before owning the feedyard, and said he’s not one to say that you can’t make money by selling calves at the sale barn. In fact, he’s had customers ask what they should do, so he ran projections and told that customer it would be more profitable selling at the sale barn than feeding that year. He’s not trying to drive away business, but he knows it’s a long-term relationship with his customers.

“There are a lot of opportunities for profit at the sale barn and with feeding,” he said.

It’s a big decision to decide whether to feed cattle, but don’t feel like you are alone in the process. “There is not a single aspect of our business that doesn’t have an expert in it,” he added. “We have a wealth of people who can help.”