

# Angus Calves Make Cents

Once called a gimmick, Angus-sired feeder-calf sales have proven to offer long-term paychecks.

Story by  
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For stockyard owner, Angus breeder and commercial cattleman Albert Epperly, Angus-sired feeder-calf sales just plain make sense.

"If I sell a man the best bull he can afford, help him improve his herd, get him on a more comprehensive vaccination program and get him to wean his cattle, why should he sell through a graded sale? His cattle might go in with his neighbor's, who bought his bull from a stockyard, knows nothing about him and never weaned his calves. My customers' cattle are worth more," says the Moneta, Va., cattleman.

Epperly, who owns Springlake Livestock with his father, Frank, started the Angus-sired sales in November 1998. Fall sales are the last Saturday of the month from July through November, while the spring sales are the last Saturday from February through May. The results are bankable.

"In the fall the weaned calves probably bring \$5 to \$8 more than the bawling calves," Epperly says. "In the spring of the year you won't see that much difference because the buyers are buying for grass." All calves are expensive then, he adds.

"Albert Epperly makes me a nickel a pound," says Goode, Va., cattleman Wilson Chitwood. The manager of Elk Creek Farm sells all but his replacement heifers through the Springlake Angus-sired calf sales.

## Requirements

To earn the chance at the extra dollars per hundredweight (cwt.), Epperly requires the calves be sired by a purebred Angus bull. The male calves also must be castrated and healed by sale time. Epperly requests that the calves undergo a comprehensive vaccination and deworming program. He prefers they be weaned and trained to eat from a bunk well before sale day. However, he accepts calves that have eaten from a bunk with their dams or that have been creep-fed.

The consignors complete a form describing the history of their calves, which includes the sires, the breed type of the dams, vaccination and nutritional programs, and how far they have to haul the calves to the sale barn. When calves are



Elk Creek Farm, Goode, Va., sells all but its replacement heifers through the Springlake Livestock Angus-sired calf sales. Wilson Chitwood, Elk Creek's manager, says he makes an extra 5¢/pound that way. [PHOTO BY BECKY MILLS]

sold, Epperly announces the information to the buyers. He also uses the information to spark buyer interest before the sales.

"I can call a buyer and tell him the calves are sired by a bull with a plus-80 yearling weight EPD (expected progeny difference) and have been hauled 50 miles," he says.

At least so far, it is up to Epperly to maintain the credibility of that information. "I know 90% to 95% of my sellers," he says. "If I have any question about the information, I don't announce it. At this point in time, that is the only way I know to police it.

"We try to make it as simple as we can. If we make it too complicated, we encourage dishonesty."

By providing the information to buyers, Epperly hopes to do more than get his customers extra dollars on sale day.

"We're trying to establish a buyer-seller connection," he says. "We provide the buyer with the number of the seller, so he can call back and ask more questions.

"Out West they talk about reputation cattle. That's what we have, only on a smaller scale. Even if a fella has 15 or 20 head of cattle, if his cattle are better than his neighbor's, he's established a reputation for those cattle. We're already seeing buyers who recognize who's selling the

calves."

Epperly hopes that the buyer-seller connection will go even further and that the sellers can begin to get carcass data back on the calves. He looks forward to the time when a set of calves walk through the ring, and he can say that calves from the same operation the year before were sired by the same bulls, graded 80% USDA Choice, and 30%-40% qualified as *Certified Angus Beef*<sup>TM</sup> (CAB®) carcasses.

## Rewards

In the meantime, the sales already have started to have a positive influence in the local area. "We've seen a lot of guys start vaccinating and weaning and buying better bulls," Epperly says. "We've seen quicker converts because a producer has seen his neighbor's calves bring 5¢ to 10¢ more."

"These sales have given producers a realistic look at their management," says Susan, Epperly's wife.

In Tennessee, Extension ag economist Emmitt Rawls says producers also have seen rewards for those management practices. "We see price benefits, particularly where we have load-lots of cattle," he says. Generally, those premiums range from \$4/cwt. to \$10/cwt.

## Challenges

While the Springlake Angus-sired sales have earned extra dollars for the producers, they have had their challenges. One of the most noticeable was the record-breaking 1999 drought, which took a toll on the late-summer sales in particular.

"The calves selling in the Angus-sired feeder-calf sales have been selling at 500 to 600 pounds and bringing 80¢ to 85¢ a pound," Epperly says. "They had to sell early, at 300 pounds. Luckily they still brought 90¢ to \$1.10 a pound."

He says he also has lost calves of borderline quality to the state graded sales, where the calves are grouped and sold by type, weight and sex.

"Here, the cattle have to stand on their own. You can't hide them in a group with other calves," Epperly says. Whether he is selling one calf or 50 calves from one operation, they are still sold by consignor.

"Over the long run, I think we'll get a lot of these cattle back," he says. "The producer has to do a better job, and those people that are doing the work are seeing the rewards."

Epperly says he also sees some resistance from other sale-barn operators because the Angus-sired sales tend to draw the better cattle away from the graded sales.

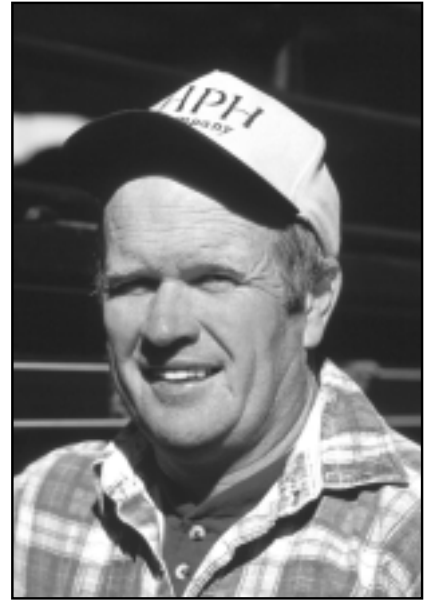
Chitwood, whose calves are dewormed, vaccinated and weaned for six to eight weeks before he sells them, doesn't complain about the fact that the calves are sold by consignor. "I figure I got the best calves in the country," he says. "I don't want to mix them with anybody else's. I'd rather the buyer grade my calves."

While Rawls doesn't argue with the benefits of selling by consignor, he mentions Tennessee has a number of smaller operations, and the calves generally sell better when they are pooled to make larger lots.

Another challenge facing the Angus-sired sales is, believe it or not, high feed-



*Wilson Chitwood doesn't mind that calves are sold by consignor at Springlake. "I figure I got the best calves in the country. I don't want to mix them with anybody else's," he says.*



*Albert Epperly owns Springlake Livestock with his father, Frank. They started special monthly sales for Angus-sired calves in November 1998.*

er-calf prices. Epperly says branded sales don't shine quite as brightly when times are good.

"The Angus-sired sales do better when the market is poor," Susan says.

Epperly adds, "When the cattle are cheaper, the buyers get more selective."

Still, he says he plans to forge ahead with the Angus-sired sales. "We've had 100 to 150 producers take advantage of them, whether they are selling two or three head or 100 head." He is planning to expand the special sales to other areas by possibly leasing other sale barns for a day.

Sugar Loaf Farms in Staunton, Va., a purebred Angus operation, holds a fall Angus-sired feeder-calf sale. "It has been very successful," says Virginia Angus Association (VAA) president-elect Jerry Crenshaw. "In '99, they had the top feed-

er-calf sale in the state as far as price."

The Epperlys' sales and the sale at Sugar Loaf both are conducted in conjunction with the VAA and the Virginia Livestock Marketing Association and have attracted nationwide attention. Crenshaw says cattle producers and market operators in more than 20 states have used the Epperlys' model to start Angus-sired feeder-calf sales of their own.

"They are a tremendous marketing tool," Epperly says.

"When we first started, there were people who called them a gimmick," Susan says. "You don't hear that now."