

All good outcomes start with a plan. If you're ready to maximize the value of your feeder calves, evaluate their marketing journey — beginning with the end.

Understanding what constitutes value takes an understanding of beef quality and yield thresholds that result in premiums and/or discounts. Generally, packers look for cattle that will garner a high quality grade (*Certified Angus Beef*® (CAB®) brand, Prime, 100% Choice) and have excellent red meat yield. Realistically, very few do both exceptionally well.

To Steve Peterson, manager at Triple H Feedyard in Lebanon, Kan., the most important thing producers need to know prior to marketing cattle is where they are in terms of quality and where they want to be.

"I've got one producer and he's fed cattle with me for almost 20 years," Peterson says. "When he started, he wouldn't even have 50% Choice, and now his cattle will be 90% plus with 15% Prime high-yielding cattle."

Progress like that starts when you're making breeding decisions.

From the ranch and beyond

Selecting above-average genetics for important terminal traits, like marbling and feed conversion, gives you a head start on the progeny being worth more than market average.

"It goes back to genetics," Peterson says. "You need to know whether you're artificially inseminating, or buying bulls. Look at the \$B (beef value index). See where those cattle index."

Feed conversion is critical at the feedyard, which is indicative of average daily gain. Cattle that gain well are converting feed at an efficient pace with a genetic advantage.

Marketing Feeder Cattle?

Begin With the End in Mind

Learn more about on-ranch management, building key relationships and finding the right feedyard.

by Lindsay Graber Runft & Paul Dykstra, *Certified Angus Beef*

To quantify feed conversion, use records of prior performance or look to industry resources for assistance. Genomic tests and expected progeny differences (EPDs) can provide indicators of feed efficiency, but the most straightforward approach is to look at your bull battery and select for growth traits.

The AngusLinkSM Genetic Merit Scorecard[®] (GMS) quantifies the genetic potential of a producer's calf crop. By using current and past sire information, combined with cows' breed makeup, calves are given three scores. Each of those scores — beef, feedlot and grid — ranges from 0 to 200, with 100 being industry average. The higher the score, the better.

Producers who want to communicate their calves' potential carcass merit can use the CAB *Targeting the Brand*[™] logo alongside GMS grid scores. The *Targeting the Brand* logo will appear on scorecards for groups that meet phenotypic (the CAB live-animal specification) and genetic (grid score of 125 or better) thresholds.

Universally, health is the primary concern. It's affected by the vaccination protocol, nutrition management and animal handling on your operation. To increase marketability, all those things need to match best practices from your veterinarian and nutritionist. Be sure to keep good records, too.



[PHOTOS COURTESY OF CERTIFIED ANGUS BEEF]

When buying bulls, selecting for higher \$B will aid in feed conversion.

When you're ready to sell, be honest about your calves' genetic package and how they have been managed. Determine if your cattle will meet, and possibly exceed, the standards packers are looking for to earn a premium. If you have superior genetics and management that has protected the inherent value of your calves, and you communicate that to potential buyers, you'll be ahead in the marketing game.

"A producer needs to know what he's got: Has he collected carcass

data? How do his cattle feed? How efficient are they?" Peterson says. "Those are things we look at."

From there, build your knowledge base around what the market will reward based on feedyard and packing sector parameters.

Genetics, health and management are all pieces of background information you should have on your calves. Knowledge about your own calves is a powerful tool and can help you decide between selling or retaining ownership.

"I've had some of the best-looking cattle here, but they feed terrible," Peterson says. "I've seen cattle that you think would grade 80% Choice, and they grade 60%. So, you know,

you can tell a lot by looking, but the data doesn't lie."

Without the background and production data that garner special interest from buyers, start planning ways to get that information to make more-informed decisions at the ranch and in marketing. Otherwise, you may be settling for commodity prices.

Relationships required

When it comes to marketing a group of calves, building relationships with cattle feeders should precede the sell date. While it's not too late to build a network when the cattle are ready to sell, it's easier as a gradual process.

Where do you start? Here are suggestions to begin fostering relationships.

- ▶ Phone a friend. Use preexisting connections with other cattlemen and women who may be able to offer their network as a starting place.
- ▶ Reach out to a university feedyard specialist in one of the major cattle-feeding states. They can offer suggestions on feedyards that align with your goals, and potentially connect you to the right person to call.
- ▶ Consider agriculturally focused banks in dominant cattle-feeding states. Loan officers there do a lot of business with feedyards. They can offer insights on reputable feeders.

Growing a strong network and relationship-building with feedyards has value for both selling and retained-ownership scenarios.

"You've just got to take each marketing scenario, sit down and address it," Peterson says.

If you're going to sell calves to a feedyard, develop rapport with the

Continued on page 24

... You can tell a lot by looking, but the data doesn't lie."

Steve Peterson

manager. In part, there should be a high level of trust on the quality of your calves and how they will perform. Ideally, your network includes multiple feedyard managers who have substantial knowledge on the type of cattle you are selling and who are willing to pay top dollar.

Communication is key to having a successful retained-ownership relationship. Both the rancher and the feedyard need to understand the arrangement and be able to communicate fluidly and timely about performance and marketing options.

Choose region, yard

As you evaluate feedyards, study your feeder calves and where they would fit in the packer mix. If you have exceptionally high carcass quality, seek packers with a reputation for rewarding marketing grids.

Remember, several packers will pay good premiums for the right cattle, so

don't let perception limit reality.

Also consider geographical location — where you'd like to feed cattle relative to the packing plant and feeding resources. Consider logical freight distance for cattle delivery, but also feed basis and weather. Corn basis varies widely and becomes more attractive in the Corn Belt due to proximity to grain. Yet weather and season of the year can play a big part in cattle performance, so measure the two issues in tandem.

If you're willing to feed cattle across the map, contact feedyards in different regions and build a list of pertinent things to know about each.

Peterson suggests knowing the feedyard's history as a basis for questions.

“What's his death loss over the last two or three years? What is the projection on how the cattle will feed? How does the feedyard manage their cattle? Do they feed once or twice or three times a day? What's the weather like? Look at the health of the cattle,”

Peterson says. “Those are the most important things.”


Overall, a cattle producer should compile a list of positives and negatives on cost, performance history, seasonality and packer access.

Use your resources

Maximizing the value of your calf crop takes focus and diligent work. Many resources are available to cattlemen and women, from professional consultation by nutritionists and veterinarians to marketing tools like the AngusLink GMS and CAB's *Targeting the Brand* logo. Equally important is a strong network.

Begin with the end in mind, develop a plan for marketing calves and use your resources to maximize value. **ABB**

Editor's note: Lindsay Graber Runft is CAB director of producer communications. Paul Dykstra is CAB director of supply management and analysis.



Whether you're looking to sell your calves to a feedyard or retain ownership, having a good relationship with a feedyard can increase the marketability of your calf crop.