

Win-Win for Buyback Programs

Calf buyback programs work for both the seedstock supplier and the commercial customer.

Story & photos by Becky Mills

Billy Glenn and Scott Turpin have the same worries as many other producers. For starters, there is rain — either too much or too little. Then add in sky-high input costs and suburban sprawl. The father-son team has been able to cross one concern off their list, though, and that’s getting a fair price for their weaned and preconditioned calves.

For close to six years, the Richmond, Ky., producers have participated in a calf buyback program offered by their seedstock supplier, James Coffey.

“He works with us any way he can,” says Billy Glenn.

Coffey says the buyback program works well on his end, too.

“It has been a real value-added thing for us,” he shares. “It is both a marketing tool and a customer service.”

In addition to buying 50-60 steers and 25 or so heifers from the Turpins, most years the Hustonville, Ky., Angus breeder buys another 200 or more heifers and 250 steers from other customers.

Good faith

To ensure Coffey gets a top-notch, healthy product, the Turpins wean the calves from their 120-cow Angus-Simmental herd in March, then put them on carefully tended orchard grass, fescue and clover pastures. Thirty days before the calves change hands, they’ll add 4-5 pounds (lb.) per head per day of a cracked-corn-byproduct feed.

They normally sell Coffey the heavier end of their steers in September; then the rest of the steers, as well as all but the heifers they keep as replacements, in December.

The day the calves leave the Turpins’ operation, they’re hauled to Coffey’s Branch View Angus by both the Turpins and Coffey, then weighed at Coffey’s facility. It is a 60-mile trip, and they’re sold without a shrink.



Left: Angus breeder James Coffey buys both feeder calves and replacement-quality heifers from the customers who buy and use his bulls.



Price advantage

To set a fair price, Coffey buys the steers and heifers by the pound. He uses the Kentucky state market average price for the previous week as a base, then adds a healthy premium.

“If the market goes down, he’ll ask us if we want to wait ’til the next week,” says Billy Glenn. “He takes care of us.”

The Turpins sold in the Kentucky CPH-45 sales for years. There, the calves go to a sale barn and are graded and commingled with other preconditioned calves.

“The commission got so high, 4%,



Left: Father-son team Billy Glenn and Scott Turpin buy bulls from Angus breeder James Coffey. Then, Coffey buys their steers and replacement-quality heifers.

and James was willing to work with us on price,” Scott says. “He gives us a great premium for the heifers.”

Beyond price

Besides the price, the Turpins say there are more advantages to marketing with their seedstock supplier. Along with the other steers in Coffey’s buyback program, the Turpins’ calves go to Pratt Feeders in Kansas for finishing.

“One thing that is worth a lot to us is he offered to get carcass data back to us,” says Scott. “Our last group of steers was 100% Choice and 80%

Certified Angus Beef® (CAB®).”

On Coffey’s end, feeding steers with known, quality genetics works well. For the 15 years he’s been feeding at Pratt, he says, “The big advantage we see is our feed conversion and average daily gain are usually 10% better than the yard average, which helps us on the cost side. We sell all our steers on the U.S. Premium Beef (USPB) grid, where our cattle consistently grade much better than industry average, so that gives us an advantage on the income side, too.”

The performance and quality track record on the buyback steers was particularly evident during the pandemic.

“At Pratt, they were able to sell black cattle, and sometimes our cattle

ahead of other black cattle, because we had years of data on them,” he says. “They were looking for CAB-type cattle, so we had a leg up.”

Tracking genetics

Quality genetics are a plus for Kimball, Minn., Angus breeder Tim Schiefelbein, too. He and his family feed the calves from their buyback program in their own feedlot or send them to other lots, depending on where they purchase the calves.

“We can track and see how our genetics

work in the real world, in the feedlot and packinghouse, then we can pass the data on to our customers,” says Schiefelbein.

Brandon, Minn., cattleman Joe Wagner has bought Schiefelbein bulls for 10 years and participated in their buyback program for three.

“We buy high-quality bulls, and the Schiefelbeins come back and source those same genetics,” says Wagner. “They know what they’re getting in performance and quality. It makes for a great partnership.”

Heifer bonus

In Coffey’s buyback program, heifers earn their keep, too. He uses fall-born heifers as recipients in his embryo transfer program. If they are bull-bred, they go in his annual production sale, hosted in April. For open spring-born heifers, Coffey also sells them in his April sale, but keeps them an additional 30 days and breeds them by artificial insemination (AI) as a customer service.

Whether he is using them as recipi

or selling them, Coffey and his heifer customers reap the rewards of dealing with a known product.

“These are not your typical sale-barn heifers,” says Coffey. “They are sired by known Branch View Angus genetics, DNA-tested through Neogen, pelvic-scored, vaccinated, sorted into uniform lots, ultrasounded for calving date, and bred to upper-percentile Angus bulls for maternal and terminal traits.”

Those aren’t the only reasons the heifers sell well, says Billy Glenn. “They sell outstanding because James is

such a customer-service person.”

“They know what they’re getting in performance and quality. It makes for a great partnership.”

Joe Wagner

Ground rules

While Coffey’s standards are high for the buyback calves — and he culls rigidly if needed, especially with the heifers — he tries to make it simple for producers to participate.

First, calves have to be sired by his bulls. They also have to be weaned, vaccinated and bunk-broke. Coffey says he models his preconditioning requirements after the Kentucky CPH-45 program, which is familiar to the state’s producers. When he commingles the calves before sending them to Pratt, he revaccinates them and keeps them another 30-45 days so he can treat any calves that get sick after they’re commingled.

Challenges

On the challenge side, Coffey says it is hard to predict how many calves he’ll end up with each year. For starters, he says, most of Kentucky’s 38,000 producers are part-time

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cattlemen with an off-farm job.

“Most of them just want to load up their calves and take them to the sale barn,” he acknowledges.

On the other hand, he’s committed to buying back the calves sired by his bulls. At times he can end up with more than he wants.

“Out of 135 heifers, they can come from 10 owners,” he adds.

To make it a little more predictable, he relies on a core group of long-time customers like the Turpins.

“A buyback program is not for the faint of heart,” adds Schiefelbein.

While he says the number varies, he and his family usually buy around 30,000 head of their customers’ cattle a year. Obviously, that’s a huge investment in time and money. However, he says, the upside is he and his customers develop even tighter relationships, and they call him with questions on anything from financing

to the price of grain.

“Some of our customers say that’s the best part,” he remarks.

While Wagner no doubt appreciates the Schiefelbeins’ willingness to share their knowledge, he also appreciates their willingness to bid on his heavy feeder calves when he sells them at Fergus Falls Livestock Auction. After he sold this spring, he says, “The quality was good, cattle were selling good. The Schiefelbeins participated aggressively and bought eight loads. It was a great day.”

In Kentucky, even with the added investment, Coffey is sold and so are his customers.



A buyback program offers producers a guaranteed market for their calves, as long as they’re sired by their seedstock supplier’s bulls.

“He’s helped us in a lot of different ways,” says Scott Turpin. “We’ve been very fortunate to find somebody like James to work with.”

Billy Glenn Turpin repeats, “He works with us any way he can. He takes care of us.” **ABB**

Editor’s note: Becky Mills is a freelance writer and cattlegirl from Cuthbert, Ga.