

Customized Calves Make Buyers Happy



[PHOTO BY SHAUNA HERMEL]

Seedstock operators offer tips for marketing commercial calves.

by Paige Nelson, field editor

Don't settle for commodity cattle or commodity prices.

While they use different words to say it, that's the theme three progressive seedstock producers share with commercial cattlemen looking to capture the increased value of their calves.

Bull customers typically know what they want in a bull in terms of expected progeny differences (EPDs) and overall look. It's the seedstock supplier's job to breed cattle that fit their customers' wants.

The challenge for both segments is to create cattle that will produce the type of calves feedlots and packing plants want to buy. Good marketing

of those calves brings premiums and satisfied, loyal customers all around.

Follow up

Following up on a set of calves is the best way to improve future management, says Rob Thomas of Thomas Angus Ranch, Baker City, Ore.

Failing to follow up with the feedlot or stocker operation to which your calves were sold signifies either overconfidence or a lack of concern. Either way, it can be a red flag to a potential repeat buyer, especially if there was a problem with the calves.

"Once those cattle have gone

to a feedlot, to a branded program, see how they did," advises Thomas. "It's surprising how many people don't ever actually follow up on this. Follow up on those calves and see what their strong points are and what they can do to improve."

Dan Byrd of Byrd Cattle Co., a registered Angus operation at Red Bluff, Calif., says he is in constant contact with both his customer base and his customer's customer base —

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Rob Thomas

feedlots. Byrd knows his bull customers. What he wants to learn is how his bulls' progeny are doing on feed. How's their health? How did they grade? Feed efficiency is huge, and it's something he's put intense selection pressure on for the last 16 years, so they'd better be performing.

By being present on the seats at video sales during the years, Byrd has tuned in to the repeat buyers of calves sired by his bulls — Terry Beller of Beller Feedlot, Jeff Cox at Northwest Cattle Feeders, Beef Northwest and Prime Pursuits, to name a few.

"I call them all two or three times during the year," he says. "It's all about relationships."

In Caldwell, Idaho, Shaw Cattle Co. relates with its customers by being in the trenches with them. The Shaws manage around 2,000 registered and commercial cows. The feeder heifer and steer calves are typically placed in a feedyard under retained ownership.

"That gives us a good idea of where our genetics are as far as the feedlot goes," explains Sam Shaw. "What do we need to do a little bit better? Is it feed efficiency, marbling, ribeye, health? It's just kind of a benchmark for our genetics."

Getting information back both from the feedlot and the packing plant allows the Shaws to relate on multiple levels with their customers and tweak things, as needed, on the purebred side.

Add value

All three seedstock providers say the gap between commodity cattle and added-value cattle is widening. They don't want their bull customers selling quality cattle at commodity prices; there's too much at stake. Today, marketing calves is about



A calf sale lot's description means a great deal in determining whether a premium is warranted. Rob Thomas of Thomas Angus Ranch helps his customers quantify their bull's genetics into a percentage of the breed, so all buyers understand the genetic worth of the calves.

branded and process-verified programs (PVPs).

"Whether it's a breed-specific program or just a non-hormone-treated program, we really encourage our guys to do that. The program cattle are essential to be noticed by cattle buyers," says Shaw. "I tell them, when my grandfather started selling bulls, he sold them all on phenotype. Then we got EPDs. Then we got ultrasound. Now we have genomics

on these bulls. As we evolve in this industry, we're all trying to

make our product better, and we have the tools to do it, and we need to utilize those tools."

One of Byrd's biggest and most progressive customers, Tom Schene, markets 2,000 commercial calves a year. Byrd says Schene has proven time and time again that program cattle get 20¢-30¢ more than commodity cattle on the video.

"When somebody buys from us, and they want help marketing cattle, the first thing we do is try to get them on programs: age- and source-verified, non-hormone treated cattle

(NTHC), natural, GAP-4, grass-fed, non-GMO, Vac45, etc."

Because of the West Coast's consumer base and climate, Thomas says it lends itself well to program cattle, and buyers often come looking for big drafts of NHTC-qualified calves. But high-quality, all-natural cattle don't just happen, he says. They are made. To do that, he focuses his breeding program around two main objectives: growth, because the calves aren't implanted, and high marbling.

It's a balancing act, he notes. They need the ability to grow quickly, but then level off once they've reached optimal size. Secondly, branded natural programs are built around quality. High-marbling cattle are critical for success.

"These cattle are functional, low-maintenance and they fit into their environment, but the cattle really do perform when they go on feed," says Thomas. "Even more than that, they really perform when they are on the rail. That's what we try to

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bring to the end user or the people that are buying for NHTC."

Details matter

"Black-headed" is no longer enough. Every segment of the beef industry faces tightening margins. Guarantees don't exist in the livestock industry, but a reputable genetic base, solid management practices and a little salesmanship can go a long way toward higher prices.

At the end of the day, Thomas says his family has spent 70 years building

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the Thomas Angus Ranch brand. They've worked hard to ensure the ranch is portrayed in a positive light and their cattle represent their work accurately. It's absolutely no different for a commercial cattle producer, he reasons.

"The best way to set yourself apart, if you're a commercial cow-calf producer, is the genetics you use," says Thomas. "Those bulls you turn out will determine the [direction] of your herd for years to come. We really encourage our customers to buy the best bulls they can. Then promote those bulls to potential buyers."

See yourself differently, he advises. Don't be a commodity provider of feeder calves. Be a provider of elite feeder calves that bring the very most at every stage in the process of making beef. That may come as a paradigm shift for some.

"No matter how you're selling those cattle, promote what you have," he encourages. "Know what you have. Promote it. It will make a difference in the end."

Thomas doesn't leave the task of promotion up to his customers to do on their own. He helps them with their write-ups, especially those used on video sales. He says promoting what a customer has really comes down to spelling out the animals' genetic profile in a clear manner.

A write-up showcasing +1 marbling doesn't mean much to a buyer. It's too generic. Thomas uses write-ups like: "Sired from 10 bulls, all in the top



Dan Byrd and his son Ty operate Byrd Cattle Co. They encourage their customers to market calves rather than sell them.

10%-15% of the breed for marbling and top 20% for growth." It helps everybody get on the same track, he says.

Getting everyone on the same page has been Byrd's strategy, as well. He figures if the video sales representatives know his cattle, they'll have a pretty good idea about his bull customers' cattle, too. Rick Machado, a world-champion auctioneer and a representative for Western Video Market, has sold every one of Byrd's 22 previous bull sales. When Byrd Cattle-sired calves are going to be on a video auction, Jake Hoffschneider, procurement manager for Creekstone Farms, sends emails out to prospective customers.

"We work with a bunch of people just like them who are just awesome in helping us help our customers.

When our customers succeed, we succeed. It's just that simple," says Byrd. "Selling calves and marketing calves are not the same. We want to help our customers be marketers!"

Many of Shaw's customers are larger operators, and he encourages them to focus on quality genetics, branded programs at market and following their cattle through the feedlot.

"Choosing bulls to progress their programs will get them top dollar," he says.

Shaw encourages smaller-scale operators to find their niche market and not settle for what's common. Shaw Cattle Co.'s philosophy is: Do what you do best! For some bull customers, that means avoiding traditional methods and going straight to the consumer as freezer beef. For others, it means selling grass calves to people wanting to maintain agriculture tax status on their small acreages.

Yet, even those nontraditional marketing methods demand details.

"Those people are willing to pay a premium to know where those steers or heifers were raised, how they were vaccinated, that the disposition is good, that they're not a cull or a chronic," Shaw explains.

No matter the marketing channel, details sell and set apart. **ABB**

Editor's note: Paige Nelson is a freelance writer and cattlemaster from Rigby, Idaho.

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