

HEADLINERS

Certified Angus Beef LLC announces elite performers for 2008.

Story by
CAB STAFF

Feedlot Partner of the Year, 15,000-head capacity and above

Millions of cows graze from the Great Basin's sage-covered hills to the Pacific glades. It may sound like a big place, but the Northwest is "kind of like an island, cut off from the rest of the cattle industry," says Ron Rowan, customer service and alliance manager for Beef Northwest.

The company based in North Powder, Ore., was started by cousins Jim and John Wilson in 1991. Today, three feedlots at Quincy, Wash., and Boardman and Nyssa, Ore., can hold nearly 100,000 cattle. But quality and service are the keys. The company became Certified Angus Beef LLC (CAB)-licensed in 2003 and was named the 2008 Feedlot Partner of the Year (>15,000 head).

"Being a partner is our core identity," Rowan says. One example is the Northwest Premium Genetic Alliance (NPGA) with Thomas Angus and Harrell Hereford Ranch, both of Baker City, Ore. It offers ranch customers feeding, partnering and marketing options that reward quality and return data to use for targeted selection and management.

"We want to build relationships to

attract those calves and help all of us do better," Rowan says.

One cooperating producer is Jason Johnson, who manages 1,000 Angus-based cows and a 4,500-head grower yard near Vale, Ore. He is part of the growing process-verified network that dovetails with AngusSource®, the American Angus Association's USDA Process Verified Program (PVP) to verify age, source and genetics, which Beef Northwest has used for years.

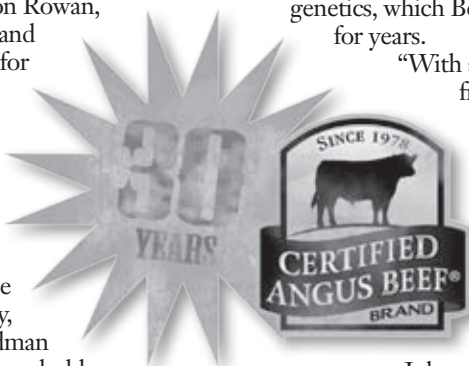
"With all the data I get back from Ron, we find out whose cattle you want to buy again or stay away from," says Johnson, who shares data with interested producers. Like all regular Beef Northwest

customers, Johnson appreciates the focused management and marketing there.

"People talk about where they can ship cattle or sell on different grids, but the grids don't really vary so much," Jim says. "The market's the market, but we can sort here and make a lot of money per head."

At the Nyssa yard, 1,700 enrolled cattle last year achieved greater than 20.2% *Certified Angus Beef*® (CAB®) brand acceptance, well above the national average. More than a few of those came from Ironside Associates, a 100,000-acre spread that manages 1,800 Angus-based cows in east-central Oregon.

Since 2002, the ranch owned by the Berger family of San Francisco



From 15 pens that could be repaired to hold 1,500 head in December 2000, Dale and Mary Moore have grown Cattleman's Choice Feedyard Inc. to a capacity of more than 7,000 head with a focus that gained them honors as CAB 2008 Feedlot Partner of the Year for all yards with less than 15,000-head capacity.

and managed by Jeff and Edie Palmer fed more than 4,000 cattle in the Beef Northwest alliance.

"We had been working on the females, but just added a carcass focus in our bull buying," Palmer says. "It's been interesting to see the end results of our work on the ranch. It gives us a whole new outlook on the business."

That's an insight more Beef Northwest customers gain each year, as they find their way to this oasis of common ground, just off the desert island of commodity cattle production.

Feedlot Partner of the Year, less than 15,000-head capacity

In December 2000, Dale and Mary Moore bought 200 acres north of Gage, Okla. The place included 15 pens that could be repaired to hold 1,500 calves, a 4020 John Deere, vintage BJM mixer wagon — and 680 hungry mouths.

"We actually had cattle here the first day," Dale Moore says. "We had to go buy corn and hay from a neighboring feedyard. Then we bought a pump and tank of molasses."

Cattleman's Choice Feedyard Inc. grew, paid back initial investors and served customers so well it was named CAB 2008 Feedlot Partner of the Year for yards under 15,000-head capacity.

The placement office at a small Missouri college sent Moore to Scott

City, Kan. "I went out to a 16,000-head feedlot with my fancy degree and started washing water tanks with it," he says.

He moved up the ranks and then moved to a smaller feedyard where they did "whatever the customer wanted," Moore recalls. He also managed a small yard in Missouri before the Oklahoma opportunity arose.

Weed-infested and run down it was, but Moore saw the future: "I really couldn't tell Mary what it looked like, but I could see what it was going to be."

Within six months, pens for 1,000 more cattle had been added, and steady growth continued to 6,500-head capacity by 2004. That summer they added a steam-flaking mill and licensed as a CAB partner.

"We were blessed with customers who wanted just a little more out of a feedyard," he says, "and that's what we gave them."

The Moores have continued modest expansion to 7,500 head, 90% filled with retained-ownership cattle.

Operations manager and data chief Jarred Shepherd keeps track of all the processing and implant programs, and like Moore, is a U.S. Department of Agriculture (USDA) age- and source-verification agent.

"Jarred breaks down the grading and premiums per head, all the way back to the individual cows and bulls, including



"We want to build relationships to attract those calves and help all of us do better," says Beef Northwest's Ron Rowan, shown here taking a look at their herd with Jeff and Edie Palmer.

average daily gain (ADG) and feed conversion,” Moore says.

The Moores aim for quality along with efficiency by steam-flaking corn, excluding distillers’ grains and sorting. Use of growth implants is never aggressive.

This winter, they will step up to another new level with a MicroBeef Technologies ultrasound sorting system. Within the new barn, a computer will control electronics and hydraulics so gates open or close depending on scan data and the calf’s electronic identification (ID).

“A calf will get ultrasounded, processed, hip-height measured and weighed. Within 30 seconds, he will be headed to the sort group with the open gate, which will close after him, while the next calf is already being measured,” Moore explains.

Color-coded tags will keep visual ID simple, and a second measurement after 90 days or at reimplant will plot individual growth curves.

The enhanced data feedback opportunities have the team eager with anticipation. “We’ll have more data than we know what to do with at first,” Moore says. That phase won’t last long, of course.

Progressive Partner of the Year

Scott Keeling, of Hereford, Texas, wants the best in performance and carcass quality, from cattle that don’t waste time or feed. His Keeling Cattle Feeders yard, licensed with CAB for little more than a year, sets a great example for those goals. Keeling’s ingenuity, pace and effectiveness won the 2008 CAB Progressive Partner Award.

Producers urged Keeling to align his yard with CAB in 2007.

“Scott always had an outstanding business approach to running a feedyard,” says Steve Knoll, a nearby member of the Texas Angus Association board of directors. “I knew he had a great work ethic and did a quality job.”

Keeling liked the idea of getting carcass data from every animal enrolled through the CAB Feedlot Licensing Program (FLP). “Before, if a customer wanted carcass data, cattle would have to be sold grade and yield or on a grid,” Keeling says. “Now I can provide producers with data on everything we enroll, regardless of how we sell.”

Since Keeling’s 1985 purchase, the yard has grown to 17,000-head capacity, with a steam-flaking mill. Some employees have been on staff for 20 years or more, and consulting nutritionists and veterinarians help Keeling develop programs to fit each customer and their cattle.

“We’re very hands-on here and work closely with our customers,” he says. “We emphasize to ranchers that calves in a good preconditioning, VAC-45 [value-added calf weaned 45 days] type of program will face less stress when they are taken from the ranch environment and arrive at the feedyard. The less we have to do for them here, the better quality of animal you’ll have at the end.”

As a CAB partner yard, Keeling has seen more chances to feed Angus cattle. Nearly 30% of those on feed were predominantly Angus by this summer.

“CAB helps raise the quality of the whole yard,” he says. Half of his pens show at least 50% Angus influence. “Packer buyers can’t help seeing the high percentage; that says quality.”

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“We’re very hands-on here and work closely with our customers,” Keeling says. “Many have a comfort level of knowing what they can expect from us.”

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Gary Fike, beef cattle specialist for the brand, says it's a win-win-win deal.

"Scott saw that right away. He's forging ahead with the core of what we try to do," Fike says. "Through his own procurement and feeding strategies, he's building links between registered Angus producers and their customers, then sharing the feedlot and carcass data for improvement next time around."

CAB acceptance rates have been as high as 45% in some harvest groups connected with known Angus genetics, but there have also been many pens that came in at 5% CAB.

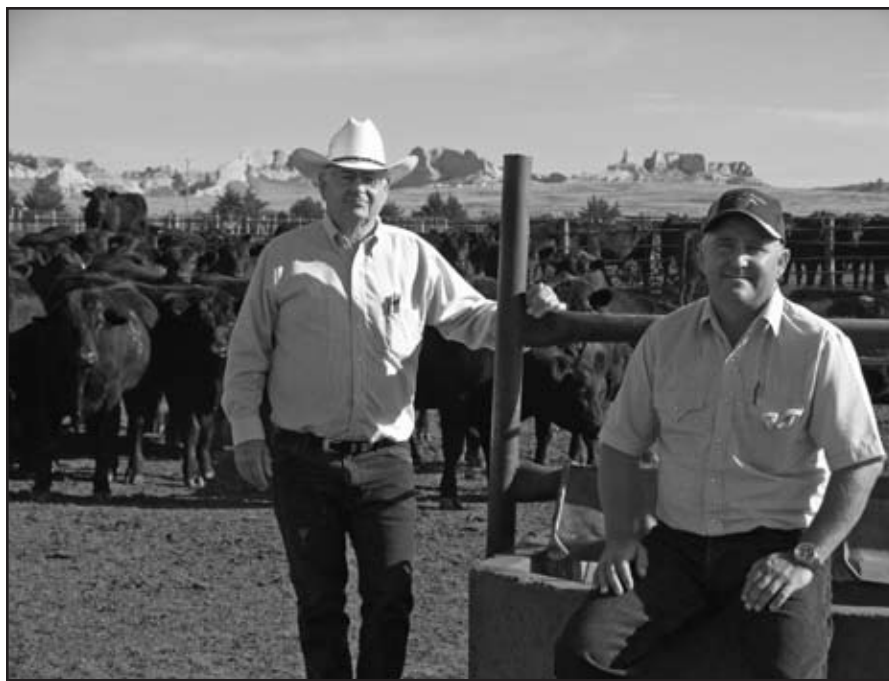
"It's all a discovery process as we get started," he says. "Some customers have a lot of work to do on grade, others need to work on growth and efficiency or all three, but the data shows us what to work on."

Keeling says CAB's unique networking and data feedback program can provide the means for small or large producers to benefit more from their genetics.

Quality Focus Award, 15,000-head capacity and above

Darnall Feedlot, Harrisburg, Neb., aims for the high-quality beef market, despite higher fuel and feed prices and somewhat uncertain premiums. The CAB-licensed partner yard won the Quality Focus Award for feedlots with more than 15,000-head capacity.

The feedlot achieved a mark of 33.3% CAB and Prime on 2,237 cattle enrolled



Sometimes quality pays more than at other times, but it always pays, says Gary Darnall (left). Gary and son Lane (right) partner in Darnall Feedlot, winner of CAB's Quality Focus Award for feedlots with more than 15,000-head capacity.

and harvested from last June through the end of May.

"We've had unbelievable markets and still a lot of excellent cattle this year," says Gary Darnall, who runs the feedlot and ranch with his son, Lane. The men credit their customers for sending them top-quality genetics to feed.

The Darnalls also manage a commercial Angus herd that helps set the pace for quality.

"We know we're in a transition period, and we don't know what's ahead," Gary says. "But we don't see any incentive to reduce quality grade on the ranch or in the feedlot."

He admits to less grid marketing this year, partly because packers pay the freight on cash sales.

"We have a tendency to produce for as much quality as we can with the genetics, and long enough on feed to efficiently realize their potential. We won't back away from that because it ties in with weight. Of course we want pounds along with the quality," Gary says.

The 20,000-head feedlot is at about 65% customer-owned cattle.

"Since we deal with so many ranch cattle with 60- to 90-day calving seasons, sorting is always important," says Lane, noting they often ultrasound scan and sell in two or three drafts.

The Darnalls have studied feed conversion closely.

"It may not have to do with quality, but it sure has to do with time of sale, which can indirectly affect quality," Gary says. "A difference in the feed-to-gain ratio between 5.5 and 6.5 conversion is 12¢ per pound of gain."

The correlation between ranch and feedlot efficiency remains unclear, Lane adds. "Our customers can cull cows based on progeny feeding efficiency, they have to look at how many things they're affecting by adding this pressure, and that's why it can't be the main thing," he says.

In the near term, the Darnalls don't see any big changes. "We'll just stay vigilant," Lane says. "See how genetics work at every level in our herd and for our customers."

Longer term, the higher grain prices will take land away from forage. "We started early-weaning five or six years

ago because of drought and stayed with it because of improved cow condition and stretching our grass resources," Lane says. "Maybe my son will have to drylot his cows."

They can't help but wonder what else it will take to produce high-quality beef a generation down the road, but the Darnalls face the future with confidence because of their united focus on quality. They keep the consumer dollar in mind, and that brings it closer to the wallet.

Quality Focus Award, less than 15,000-head capacity

Value-added Angus genetics, good management practices and a low-stress environment led Circle A Feeders to a CAB Quality Focus Award.

The Huntsville, Mo., yard achieved 61.4% CAB brand and USDA Prime on 917 cattle enrolled through the CAB Feedlot-Licensing Program (FLP). That's the highest annual CAB acceptance rate for any feedlot award and this was Circle A Feeders' first year in business.

Integrated with the large purebred and commercial Angus herds of Circle A Ranch, the feedlot opened in May 2007 to help bull customers realize the profitability of the genetics they purchase. The 5,000-head yard is one of the largest building-enclosed feedlots in the U.S.

Calves going on feed must weigh 600 to 800 pounds (lb.), have two rounds of vaccines, be weaned at least 45 days, individually identified and out of genetics purchased directly from Circle A Ranch.

"We want healthy cattle that know how to eat when they come in, and that are ultimately going to make a high percent CAB," says marketing manager Nick Hammett.

The feedlot buys full interest in all of its customers' qualified cattle up front, and pays top-of-the-market price. Producers can earn \$25 per head for calves sired by a Circle A bull, \$10 for calves by a Circle A female and another \$10 for age and source verification, totaling up to \$45 per head in premiums.

"Returning carcass data is another huge benefit," Hammett says. "We know how valuable data has been to the development of our genetics and we want our customers to have access to the same decision-making tools we have."

He analyzes strengths and weaknesses of each producer's bull selections, and helps them find which sire line brought the most value to their herd, in time for their next bull purchase.

Upon delivery cattle rest for at least 12 hours before processing and the overhead roof provides protection from the elements.

"Our calves are happy during bad weather," cattle manager Ken Ladyman says. "They use their energy to go to the feedbunk and eat, rather than for maintaining body temperature."

Cattle are bedded with sawdust to cut down on the amount of manure that accumulates on them, and an intense fly-control program includes larvae-eating wasps inserted into the ground.



Circle A Feeders' 5,000-head yard is one of the largest building-enclosed feedlots in the U.S. The climate in central Missouri and the production of black cattle were deciding factors in covering the yard.

"We know the cattle at Circle A Feeders have the genetics to produce a consistent, high-quality carcass," Ladyman says. "We just increase their chances of high performance by increasing their comfort level."

Having genetically similar cattle contributes much to the success, because all can be pushed hard and still grade well. It helps take the guesswork out of average daily gains and feed efficiencies, Ladyman adds.

"This program isn't just for some bulls or some customers," Hammett says. "It is for every bull, every female and every customer. A load of 10 or a load of 100 can achieve top-of-the-market. As long as the calves meet our specifications, we are happy to have them."

Quality Focus Award, less than 15,000-head capacity

John David is not big on words, just results. Those can speak volumes. That low-key, high-achievement approach also resulted in the David Ranch feedlot winning a 2008 CAB Quality Focus Award, for less than 15,000-head feedlots.

What the David family may lack in quantity, at 3,000-head capacity, they make up in quality. The feedlot enrolled 1,349 head with CAB in the year from June 2007 through May of this year with 82% USDA Choice or better. Incredibly, 50.4% of those enrolled made the CAB brand or Prime. No other feedyard enrolled a higher percentage of fed cattle with higher quality.

David Ranch began in 1953 and opened the feedlot 35 years later. Owned and managed by John David with the help of sons Troy and Mike, the feedlot became CAB-licensed in 2002. The Davids finish their own Angus calves as well as customer cattle.

There are no employees outside of the family, and they haven't even bought an outside cow in 18 years. The Davids produce most of their own feedstuffs and raise their own "cow" horses, too. The three of them work together to check

pens, unload trucks, harvest crops and rotate pastures.

"Being family-owned and -operated just simplifies things," John says. "Everyone knows what they have to do and it gets done."

Started along the North Fork of the Solomon River, the feedlot was rebuilt on higher ground in 1999 with room for

a few more cattle. "We had built up our customer base through small-town word of mouth," John says.

Mike says, "We pretty much see the same people and same cattle every year. That makes for a consistent base of cattle, and it also helps that they are Angus, of course."

Growth implants are held to low-dose products to ensure success in grid marketing through U.S. Premium Beef (USPB), John says. The wet distillers' grain now used in the ration is "more cost-effective than the molasses-fat mix"

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alternative it replaced, and it helps support the moderate gains achieved. “We try and have a balancing act with gain and grade,” John says.

David customers know the family leads by example, having always used feedlot and carcass data to improve their 450-cow herd.

“Genetics are so important in our cow herd,” Troy says. “We want high-marbling, balanced bulls on cows with

excellent mothering abilities.”

After a long expansion phase, it is time to start leveling off, he says. But the promising new crop of heifers brings up a problem: “We have a hard time finding a cow to cull anymore.”

Counting all owned and leased land, the David Ranch now encompasses 10,000 acres.

“Angus cattle will always be here,” John

says. “My family has made their living off Angus cattle. It’s something we’ve been doing for years and years, and will keep doing for years to come.”

Seedstock Commitment to Excellence Award

Galen and Lori Fink both grew up on eastern Kansas farms, learning the importance of sound decisions in cattle judging, business and leadership. This year the duo won the 2008 Seedstock Commitment to Excellence Award.

Fink Beef Genetics started in 1976 with the purchase of a few Angus cows on rented pasture. They couldn’t even afford a bull, but that wasn’t the main reason they built up with only artificial insemination (AI) since 1977. They purchased 30 heifers from Montana’s Hyline Angus in 1987 and spread the foundation by implanting embryos since 1988.

In 1990 the couple left their other jobs, and daughter Megan was born to help mark the new era.

They held a private-treaty production sale with 25 bulls that fall and the Finks began keeping some of their cows in customer herds. “We owned the cows, made the breeding decisions and bought the calves back,” Galen says.

From the start, they put every available dollar into their herd, to the exclusion of buying land or fancy equipment. “That’s what you do when you don’t have money,” Galen says. “We had to get our herd built up some way.”

The first female sales were “really good,” Galen says. That helped in the cattle-cycle crash of the mid-1990s when the Finks found a way to diversify into a whole new arena.

Their Little Apple Brewing Co. restaurant in Manhattan, Kan., opened in 1994. The next year Chef Russ Loub joined what has been a Kansas Beef Council and CAB brand award-winning restaurant ever since. They have added restaurants in two more towns.

On the cattle side, the Finks have included carcass traits since 1990. “I think you should add all the marbling you can without losing anything else, but you should be sure,” Galen says.

Knowing the prevalence of crossbreeding, and to avoid selecting for ever-larger Angus, the Finks added Charolais genetics in 1999. In that breed, they stressed marbling more because it was a relative breed weakness.

Whatever their customers’ strategy, the Finks will help them sell. A recent sale book notes a half-dozen alliances and information on nine feedlots, mostly CAB-licensed. Fink-influence calf and female sales through local and national auction companies provide other options. Steers garner premiums of up to \$10 per hundredweight (cwt.) and \$17 per cwt. on replacement heifers.

Extended staff offers help. Barrett Broadie is based at Ashland, Kan., and Gene Barrett at Grantville, Kan. Tommy Mann and Charles Robert Stevens take care of Southern customers from their Florida base.

Over the past 18 years, Megan has grown to be an active partner in the ranch. “She loves working with and being around cattle,” Lori observes.

Nothing can match that mutual family affection, but the Finks all love their new home and ranch headquarters. “Until two years ago, we were implanting more than 1,000 embryos and selling 600 bulls a year, all out of a 40-acre rented base,” Galen says.

The place they bought near Randolph, Kan., had been idle and took a lot of work to clean up, but already it shows all the signs of becoming a showplace for the functional Fink cows and their owners.

After all those years of “living poor,” Fink Beef Genetics, now among the top 20 volume seedstock producers in the U.S., has arrived. “This place has given us a sense of home,” Lori says.



David Ranch feedlot, owned and managed by (from left) Troy, John and Mike David, became CAB-licensed in 2002. What the feedlot lacks in quantity, it makes up in quality.



Galen and Lori Fink started compiling their Angus herd in rented pastures, expanding by renting space in their customers’ cows to implant embryos. The ranch they purchased a couple years ago near Randolph, Kan., has given them and daughter Megan (center) a sense of belonging, Lori notes.