



# ANGUS

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## Making Customer Genetics Pay

*Filling commercial customers' needs means doing more than just selling bulls.*

by BECKY MILLS

Joe Elliott was a frustrated man. For years he had watched his commercial customers improve their herds with his bulls. Trouble is, they weren't getting paid for it.

"Seventy-five percent of our customers buy from us because they're convinced they are getting better genetics. The only premium or benefit they were getting was from having more weight to sell and better replacement heifers," says the Adams, Tenn., Angus breeder.

In the spring of '97, Elliott set out to change that. Borrowing ideas from Kansas Angus breeders like Ken Stielow of Bar S Ranch, Paradise, and Galen Fink of Fink Beef Genetic Systems, Manhattan, he put the events in motion for a fall customer calf sale.

After a March meeting and July field day, Elliott had his customers primed.

### Initial success

In November his customers sold 346 head of feeder steers and heifers sired by Elliott bulls. Based on a comparison with the graded feeder-calf sale on the same day at the same stockyard, the steers sold for \$3-\$8/hundredweight (cwt.) over the market, while heifers sold for \$10-\$25/cwt. more.

"My customers had been spending money to get good genetics. In the sale they got paid a premium for their calves because of the genetics," Elliott says.

Robert and Susan Menees of Mabry Farms were two satisfied customers. "He came through



For Robert and Susan Menees, a feeder-calf sale sponsored by their seedstock source helped them obtain \$3-\$4/cwt. more on their steers and up to \$25/cwt. more on their heifers than comparable cattle sold at a graded auction. (PHOTO BY BECKY MILLS)

with his promise," says Susan.

Thirty-nine black and black-baldy Mabry Farms steers, averaging 770 pounds (lb.), sold for \$77.80/cwt., approximately \$3-\$4 more than comparable cattle sold in the graded sale.

### The big kick

The heifers were the real stars, though. Split into two groups, the 24 heifers sold for \$94.50 and \$95/cwt. Averaging 659 and 690 lb., the females brought up to \$25/cwt. more than comparable heifers sold at the regular weekly graded sale.

The Allensville, Ky., couple have been buying Elliott bulls since 1982. They normally market their calves through the local stockyard.

Thankfully, their experience was similar to that of the Kansas commercial producers who sell through special sales conducted by their seedstock suppliers.

In the fall of '97, Kendall Rathbun, a bull customer of Ken Stielow's Bar S Ranch, sold 66 black heifers divided into two groups. The 515- to 525-lb.

heifers brought \$96/cwt.

"My heifers actually outsold my steers," says the Ellsworth, Kan., commercial producer. "The fella that bought them the year before bought them then, too."

Fink customer Eugene Berges has sold his steers at the Fink-influenced calf sale the past three years. The Onaga, Kan., producer says, "It varies from year to year, but the price is around \$3 to \$9/cwt. over the market price."

Berges adds, "The most important thing is, you have a large group of cattle with similar genetic makeup offered to buyers at one time. That makes an attractive package to potential buyers."

### More than dollars

Price isn't the only advantage for customers in the special sales. Berges says, "We've been able to maintain contact with the buyers and have been able to get feedlot performance, both average daily gain and feed conversion, as well as carcass data. It helps us in our selection."

(Continued on page 4)

## GENETICS *(from page 1)*

Galen Fink, the Manhattan, Kan., breeder who provides Berges with bulls, says, "We encourage the sellers to get their cattle in ahead of time and to hang around their cattle so they can make personal contact with the potential buyers."

Fink adds, "We follow up after the sale and make sure the sellers get the names and numbers of the buyers so they can stay in contact. We're trying to make it more than a sale."

The Finks and their customers furnish buyers with information about the calves, including a description of the customers' herds and previous feedlot and carcass data if it is available.

Both Fink and Elliott offer their customers credit toward bull sales if they can deliver carcass data on individually identified calves sired by their bulls.

## Vaccination adds value

Elliott also managed to provide his customers with an education during his sale. He purposely left the requirements for the sale simple. While only calves by his bulls were eligible for sale, he didn't require any particular vaccinations or management programs.

At the sale Elliott listed the management practices performed on the calves and their weaning dates. "The ones that were weaned the day of the sale cost those guys about \$6/cwt.," he comments.

The Meneeses weren't in that category. They wean their calves in July. Robert Menees says, "We hand-feed them a little over time. They are hard and look good."

Elliott adds, "They are feedlot-ready."

*"The ones that were weaned the day of the sale cost those guys about \$6/cwt.," says Angus breeder Joe Elliott.*

## Local auctions

To simplify the logistics at sale time, Elliott, the Finks and the Stielows work through and sell at their local auction barns. The only sale expense their customers have is the standard sale-barn commission.

"The first thing we had to do was convince the sale barn it would work," Ken Stielow remarks. "We've heard they are extremely happy because this has brought them additional customers."

Stielow says he has even had other sale barn managers in the



Contact with buyers and access to feedlot performance and carcass information on groups of calves like this one is an advantage participants in Fink-influenced sales have noted. (PHOTO BY LORI FINK)

area call and ask if he would help them organize similar sales.

Elliott used the stockyard in nearby Guthrie, Ky., and says, "They were very, very easy to work with. The smart market owners realize they are losing customers. The good ones want to do something that will work."

## Different strategy

Harvey Lemmon, an Angus breeder from Woodbury, Ga., has a different strategy. When he pools and sells calves for two of his customers, he does it at his own operation.

"We have the facilities here to do it," he explains. "We have a scale handy to weigh truckload lots."

For the service, including hauling the calves to his place and sorting them into uniform truckload lots, Lemmon charges \$10 a head. Still, he says, "It is a win-win situation."

While Elliott and Fink don't charge their customers, they admit holding the sales isn't cheap or easy.

"We get quite a bit of money wrapped up in it," says Fink. "We send lots of faxes and mailings to potential buyers. But we just look at it as a part of doing business."

He adds, "It is a risky venture. When we contact buyers, we put ourselves and our reputation on the line. If the cattle don't live up to the buyers' expectations, they ask us why. It is a bit stressful."

Because his reputation is at stake, Fink insists a majority of the sale cattle are from his herd's genetics.

Elliott agrees that sale costs can add up. "We put about \$2,000 in



"My customers had been spending more money to get good genetics," says Tennessee Angus breeder **Joe Elliott**. "In the sale they got paid a premium for their calves because of their genetics." (PHOTO BY BECKY MILLS)

the sale. I was scared and left no stone unturned. We did quite a bit of advertising and I called the order buyers."

Both seedstock producers say, however, that it is time and money well spent. Fink adds, "I think it has helped with bull sales, but we didn't start with that in mind. We think it is time that purebred breeders do more than sell bulls."

"It's going to add to our bottom line," says Elliott. "We had three people buy bulls in February so they could put cattle in the sale."

"The seedstock producers that stay in business are going to have to offer their customers a service," he adds.



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