

# Committed to Excellence

*Certified Angus Beef LLC announces annual award winners honored at its national conference in Palm Desert, Calif., for excelling in their respective areas of production.*

by  
CAB STAFF

At its annual conference in Palm Desert, Calif., Sept. 18-20, Certified Angus Beef LLC (CAB) honored cattlemen from the ranch and the feedyard for excelling at hitting the *Certified Angus Beef*® (CAB®) brand target. We feature the Commercial Commitment to Excellence winner as our cover story this month. Other winners are featured here.



PHOTOS BY MIRANDA REIMAN

Nolan Stone, general manager at Kuner Feedlot, describes company strategy for developing replacement heifers: "The idea was, 'Let's do something that will separate these heifers from what else is out there.'"

## Progressive Partner Award: Kuner Feedlot

Everyone in the feedlot business must deal with the shrinking national cow herd, but Kuner (Colo.) Feedlot, one of 12 in the JBS Five Rivers group with 1.6 million annual marketings, deals proactively.

"We knew last fall we'd have to be creative," says Nolan Stone, general manager at the 100,000-head yard. They quickly gravitated toward developing replacement heifers with the idea, "Let's do something that will separate these heifers from what else is out there," he says. What they did caught the attention of CAB, which named Kuner Progressive Partner of the Year.

They bought 4,500 Angus females and used all available tools to make a value-added group of replacements. Blood samples on each heifer let them test for gain and grade potential using CAB's GeneMax™ (GMX) genomic test. The first decision on whether to feed or breed came from those GMX scores.

"They wanted to base selection on something objective, with direct feedyard and carcass economic meaning," says Kent Andersen of Zoetis, the company that developed GeneMax with CAB and Angus

Genetics Inc. (AGI). "They looked enough alike where it wouldn't have been easy to do that on phenotype."

Using the 100-point combined measure for gain and grade, the Kuner team sorted off all that scored less than 50. What was left had to clear Colorado State University's docility, depth and width criteria or go into a natural feeding program.

Timed AI (artificial insemination) on the remaining 1,250 head, followed by heat-detected AI netted 1,100 heifers that were developed on a leased ranch with 1/16 brother bulls.

Andersen helped select the four AI sires using American Angus Association web tools and keeping in mind the Kuner goals of a double-digit expected progeny difference (EPD) for calving ease direct, a "sensible" birth weight and "as much growth and grade as possible."

GMX Sire Match identified heifers by known sires, and only 39% of those with unknown sires made all other criteria.

"We wanted to pick AI sires with enough diversity to match heifer groups and accentuate strengths or cover any weaknesses, as well as minimize inbreeding," Andersen says.

Average \$W and \$B indexes of the AI sires were \$41 and \$87, in the top

5% of the breed. That's an advantage to any bred-heifer buyers, but also has a greater industry benefit.

"We felt like we could do a small part to improve the cow herd. We'll be creating a set of feeder cattle down the road that were selected for things like dollar-B (\$B)," says Stone, inviting others to follow suit.

"We'd like to tell people 'here's how we did it,' and hopefully others will do it and make better cattle."

Andersen says it's perfect timing, with more heifer retention in the next one to five years.

"This project really served as a very large-scale prototype for how we can use all technology to select the best heifers possible and then breed those to the best, proven, genetically superior Angus AI sires possible," he said.

Stone hopes it helps change cattle herds.

"We've really learned since we started feeding naturals," which are not mass sorted, he says. Gaps in performance are obvious.

"Feeding them really made us realize the better cattle are worth more money; we're interested in cattle that have better genetics," he says. "We can't just buy the best, but if people understand we're paying attention to it, maybe it will become more of a management style than it used to be when everything was just a commodity."

## Large Feedlot Partner of the Year: Ford County Feed Yard

Ford County Feed Yard is a big one. In fact, CAB has never licensed a larger feedyard, but the 50,000-head-capacity business runs like a

collection of smaller yards. Ford County channeled several thousand cattle into the CAB supply chain in the last year, while expanding data feedback and sharing with customers for herd improvement.

That's part of the reason the company was honored at the CAB annual conference in Desert Palms, Calif., last month. Danny Herrmann and his wife, Colleen, accepted the Feedlot Partner of the Year Award for yards with more than 15,000-head capacity.

Big from the start at 15,000 head in 1972, Ford County Feedlot doubled a couple of years later and was added to in sections to reach current capacity by the time its current manager took the reins in 1990.

If there's one breed that is most likely to do it all, in terms of feedlot performance and grade, "that would be Angus," Herrmann says. "There are herds that will gain, convert well and also do well in the packinghouse."

He wasn't feeding many of those in the early 1990s when he and Colleen were on vacation in the Cayman Islands and gained a favorable impression of CAB.

"I remember seeing the brand and being surprised first, and then I remember what a good eating experience it was," Herrmann says.

In the years since, he saw more Angus cattle doing it all, and other leading feedlots building on that fact in their yards.

"So I thought, why can't we participate in this?" Herrmann says.

He decided in 2010 to become a CAB partner yard, and gradually built up to enrolling 5,000 head by last spring, and 15,407 head in the 12 months ending in May this year.



Ford County Feed Yard manager Danny Herrmann says sharing information is good for customers and good for the beef industry.

PHOTO BY STEVE SUTHER



Bryan Adams, Welda, Kan., was a college roommate back in the 1980s and has fed with Herrmann for 28 years. His AAA Farms backgrounding yard has room for calves from his own 400 commercial Angus cows, plus those from several neighbors using Angus genetics, bought to fill trucks for load lots.

“My dad started with nothing and traded his way up, but calves were usually one-third good, a third medium and a third runts,” Adams says. “Twenty years ago I got more involved, and we built on a set of 30 Montana-origin Angus heifers.”

Making use of feedback from Ford County and registered-Angus bulls mainly from the Gardiner, Hinkle and Ratcliff Ranch programs, Adams developed a half spring- and half fall-calving Angus herd that does not produce runts. Closeouts on two loads of heifers this year show average daily gains of 3.82 pounds (lb.) in February and 3.58 lb. in July, both converting dry matter at better than six to one. CAB acceptance was 40.3% and 34%, respectively.

Relationships like this are the reason Ford County Feed Yard is thriving. Herrmann enjoys sharing information, because it’s good for customers and good for the beef industry.

“I say give them everything we know about what stuff does here, so they know. That’s the best thing for a producer,” he says. “Otherwise, they’re always assuming, and usually assuming the calves are better than they are.”

“By working together, optimistic assumptions can become reality,” Herrmann adds.

**Small Feedlot Partner of the Year: Beller Feedlot**

Terry Beller, of Lindsay, Neb., can tell you the last time the Sandhills and points west had a rain. It matters to his bottom line as owner-manager of the 6,000-head Beller Feedlot, but he talks about ranchers there as if they were family.

Beller’s cattle management and marketing reflect the care he has for those customers. For that attitude, level of cooperation and success in producing high-quality beef, his family business earned CAB honors as a Feedlot Partner of the Year.

After nearly two decades of sending cattle to Beller, some regular suppliers were looking to sell their entire herds for lack of grass this summer.

“That would be devastating,” he says, not thinking about the 300 calves that would usually head his way before prices were even discussed, nor that those cattle are among the best he feeds. Beller’s concern comes from knowing the family and watching a new generation start to take the reins.

Dozens of such relationships make up the customer list for this feedlot that goes beyond business.

“When I do good for them, they’re going to keep coming back,” Beller says. Easier said than done with high input costs and hard-to-predict markets, but

possible by concentrating on small margins rather than home runs.

Some of that philosophy comes from discipline learned during 37 of years in the business, but it was also passed on to the third-generation cattle feeder.

“My dad always said, ‘When people are running, you walk, and when they’re

walking scared — that’s when you dive in,’” Beller says. “It’s been true to fact when the market is down and things look like heck, that’s when you want to put the plow in as deep as you can.”

Perhaps as a testament, he and younger brother Mike have added a large machine shed and new office, and there’s talk

about pen expansions, on top of enrolling more than 15,000 cattle in CAB’s feedlot database at an acceptance rate of 41% CAB and Prime.

Yet the brothers say that’s not good enough.

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## Commitment to Excellence *(from page 29)*



Terry Beller not only specializes in feeding for a high-quality end point, but he's willing to share data back to help customers improve.

"That's what keeps us going: always wanting to be better," Beller says of a load that made 92% CAB. "Our goal is to have a group hit 100% CAB."

The feedlot is known for Angus quality and for sharing data to improve cattle on the ranches that he keeps buying from as positive changes begin to show.

"When the numbers change, I'm the first one to ask, 'What happened last year?' Then we talk genetics, health and feeding programs," he says.

It could be weather or health issues or just plain bad luck, but whatever it is that's plaguing a customer, it weighs heavy on Beller.

"They count on us, and we count on them," he says.

### Seedstock Commitment to Excellence Award: Vermilion Ranch

From the bright lights and shining hardwood of a basketball court to the cedar shavings of an auction ring, if there's one ideal Pat Goggins believes in, it's competition.

Growing up the youngest of six boys born to sharecroppers can do that. It could come from his love of athletics or his early start as one of the most sought-after purebred auctioneers in the country. Whatever gave him that drive, the result is somewhat of an empire around a Billings, Mont., base.

He and wife Florence (Babe) started the Vermilion Ranch that earned the CAB 2013 Seedstock Commitment to Excellence Award.

When they started with Angus cattle, the breed was known more for discounts than premiums. That's all changed today, and Angus seedstock from Vermilion Ranch command top dollar for proven and tested performance and genetic ability.

Pat's love for cattle continues with twin sons Joe, a popular auctioneer, and John, publisher of the family's *Western Ag Reporter*. Through their work they evaluate specific bloodlines, applying their findings to improve the herd that started as 200 pairs purchased from the Ross Ranch near

Jordan, Mont., in 1968. Today the Goggins family markets nearly 7,000 registered- and commercial-Angus cattle in their annual spring and fall production sales.

Many years of salering experience gave Pat a solid idea for "the look" he wanted: clean and long, with good muscle expression.

"Dad always beat it into our heads on the seedstock side of things, that you can't upgrade," says Joe. "You've got to start with the very best ones, and you don't cheat on the bulls. He always said you might buy a used pickup, buy a used tractor — cheat where you can — but don't cheat on your bull and your cow herd."

When an outside bull is chosen, he will be used extensively, says Bob Cook, who married Coreen, the eldest Goggins daughter. "If we've got enough confidence to select a bull, we're going to breed him to at least 100 cows."

Vermilion and the CAB brand share the common bond of quality. Though cattle have changed over time, customers still come expecting the same standards.

The Cooney Bros. Ranch of Harlowton, Mont., is a third-generation customer that built up quality and consistency with the use of half-sibling bulls. Sticking with tradition, Spencer



Today the Goggins family markets nearly 7,000 registered- and commercial-Angus cattle in their annual spring and fall production sales.

and Cavan Cooney keep going back to Vermilion for their straightbred Angus herd. They've sold most of their calves to the Goggins family for the past two decades.

In the 1990s, Diamond Ring Ranch near Miles City, Mont., was added to the Goggins enterprises. The 50,000-acre spread is home for backgrounding the calves mainly purchased from customers. In January, those are resold at the Diamond Ring Sale, which included 40,000 Angus-influenced steers this year.

Meanwhile, 2,300 commercial and 500 registered heifers are developed at their Pryor Creek Ranch east of Billings.

The relationships the Goggins family shares with customers allow them to understand the full spectrum for which quality cattle are needed. Those are the kinds of commitments that keep improving stability, quality and growth in the beef industry.

### Quality Focus Award >15,000 Head: Darnall Feedlot

What's better than winning first place? Doing that three out of four years, including two in a row and despite one of the worst droughts in history.

That's exactly what Darnall Feedlot,

Harrisburg, Neb., managed to do with Quality Focus Awards in 2010, 2012 and 2013 for CAB partners with more than 15,000-head capacity. This year's mark of 49% CAB brand and Prime shot past the previous year's 40% and 33% in 2010.

"Ranchers around here had to change some management systems because of the drought," admits Gary Darnall, who operates the feedyard with son Lane. "Many weaned early to reduce the nutrient requirements on the ranch and to try and salvage as many cows as possible."

That led to an influx of lightweight calves, some lighter than 300 lb., that Darnall put on a grower ration with enough protein and energy to make them five-weights.

"At that point, we started treating them like other cattle in the feedyard," he says. In the process, Darnall realized firsthand what research had proven before: early-weaned calves grade well because of the increased energy earlier in their lifetime.

Cattle in the yard are ultrasound-scanned and marketing dates projected. With that system, Darnall said some calves brought more than \$4 per hundredweight (cwt.) in premiums — a blessing to offset the high cost of feed.

Drought raised corn prices, so most cattle lost money, based on calculations



**Above:** Gary (left) and Lane Darnall, Harrisburg, Neb., operate Darnall Feedlot, a repeat winner of the Quality Focus Award for yards with more than 15,000-head capacity.



**Below:** The father-son team of Gerry and Geoff Shinn work with retired Missouri Extension cattle veteran Roger Eakins to help producers make more money increasing beef quality and marketing finished cattle to reap the premiums. Pictured here are (from left) Geoff Shinn, customer Rick Aufdenberg, Gerry Shinn, and consultant Roger Eakins.



of their value as feeder cattle. The premiums helped buffer the large losses other cattle feeders were facing, he says.

Some of the cattle were off his family's Darnall Ranch, while others were from ranchers who retain ownership, and most of those have been coming back for 10 years or more.

"The ranchers come back, year in and year out, so they have a program set up. They don't vary much. But through retained ownership, they have definitely had a positive profit margin," Darnall says. "Now, last year they probably had red ink on the bottom line, like all of us did. But if you average that over a period of 10 years, they'll be on the positive side of it."

Looking at the next six months, Darnall says many customers have weaned early once again and are anxious to get into new-crop corn and the feeder-friendly prices that come with it.

### **Quality Focus Award <15,000 Head: Performance Blenders**

It's hard to stay at the top.

The "coaches" at Performance Blenders of Jackson, Mo., found ways to work with their team of 130 or more cattle producers to keep a traveling trophy. The unique company won the CAB Quality Focus Award for feeding partners with up to 15,000-head capacity. For a second consecutive year, owner-manager Gerry Shinn and wife Jane accepted at the CAB annual conference.

Drought and resulting high corn prices forced the team to modify a few strategies, but those challenges did not overcome efforts to raise cattle that hit the CAB and Prime target, criteria for the award.

Shinn and his son Geoff work with retired Missouri Extension cattle veteran Roger Eakins to help producers make more money increasing beef quality and marketing finished cattle.

"We concentrate on cattle that are genetically bred to marble and grow. The breeding probably went a long way to keeping our [performance and grade] numbers up," Shinn says. "But it really wasn't as good as I wanted it to be."

Part of that notion could be the high bar he set last year, when 507 enrolled cattle made 84% CAB and Prime. This year 518 enrolled could only manage 83.4% CAB and Prime. The share of cattle that graded Prime eased only from 22% to 21%.

At these quality levels, channeling cattle from so many individual small producers is difficult, and Shinn always aims higher: "We had some cattle that didn't grade quite as well as I thought they should, but by the same token, we had some others that did well. All in all, we had a good year."

Distillers' grains and gluten byproducts were used in some rations to hold the line on cost, but Performance Blenders kept to a corn tradition for the last 60-90 days. It's not entirely about cost of gain.

"We think there's more to it. We're trying to add dollars and carcass value on

top of the cost-of-gain variable," he says. "When you can get \$100 extra and hit premiums for quality, that makes it more worthwhile to spend a little more on feed sometimes."

Shinn admits although ration modifications and top premiums helped, they didn't keep all of his feeders in the black. To make any premium beef program

work, he says they have to grow and grade, because that's where premiums are.

While some producers have their eye on the Choice-Select spread, Shinn says the Prime-Select spread is where it's at.

"If we can get 15% to 25% of the cattle into Prime, we've got a lot more dollars coming back. That's what I always tell people," he says. "If you want to

put a bull's-eye up on the wall and have something to shoot for, shoot for Prime. There's a tremendous demand for it. Do that and everything will come out fine in the wash, day in and day out."



**Editor's Note:** For broader profiles see the October 2013 Angus Journal.