

# Top Dollar in Any Marketing Channel

*What does a direct sale of 66 mixed-sex feeders in western Missouri have in common with 190 steers selling at a sale barn in eastern Wyoming this spring? Both of the sellers enrolled their cattle in Top Dollar Angus.*

by **STEVE SUTHER,**  
Certified Angus Beef

Sean and Betty McCarthy tried something a little different this spring. The Buffalo, Mo., couple had sold directly to feedlots for years, thanks to uniformity in their commercial Angus herd of 220 cows, most calving in the fall. A Nebraska yard has purchased their fall-born calves on a handshake for more than a dozen years. Twice they retained ownership on spring calves, but they were uncomfortable with the risk.

Last year 50 steers, all but one from their spring crop, were fed in a High Plains yard, with 44% qualifying for the *Certified Angus Beef*® (CAB®) brand or Prime.

"It was a good reflection on our whole program, not cherry-picked out of a bigger group," McCarthy says.

He knew Tom Brink was starting the Top Dollar Angus® (TDA) program, as their results helped prove the concept. It looked like a good fit. Brink and associates evaluate high-percentage Angus herds at no cost to see if the herds qualify for the TDA program based on a combination of the beef value index (\$B) and/or GeneMax® scores.

"Our data said we were on the right track, but when Tom suggested we GeneMax our heifers, we were happy to do that," McCarthy says. "They came

back with an average score of 91, so that qualified the steers, and we were in."

## Gaining experience

This spring they enrolled a mixed load of 40 steers and 26 heifers in TDA, which promoted them to its network of participating feedyards. Four days later, the sale was made for a premium of about \$57 per head above the Missouri average price for comparable seven-weight feeders.

Entry costs range from 75¢ to \$2.50 per head, plus a \$4-per-head marketing fee, but that left a bonus of nearly \$3,500 on the load.

Brink estimated the premium based on an average of the week those cattle were priced and the up-trending market of the following week at the end of March.

"We benchmarked the sale for both weeks," he notes. "It was just a single load, but it shows we can make Top Dollar Angus work for producers with smaller numbers. That deal was a direct sale, but the very next week we were able to rifle-point some demand by notifying six yards about calves selling at auction in Mitchell, S.D., and one of them bought six loads."

## Loyal to sale barn

A more detailed example comes from a late April sale at Torrington (Wyo.) Livestock Markets, when 190 eight- and nine-weight steers from Hester Farms, Keeline, Wyo., sold for \$80 to \$100 per head above the market (see graph). They



"I want to raise what's good to eat, and that starts with marbling," says Sean McCarthy, questioning why he sees bulls with negative marbling EPDs in AI directories. "It makes me wonder, who's got too much marbling that they need to reduce that?"

were enrolled in TDA only the day before the sale.

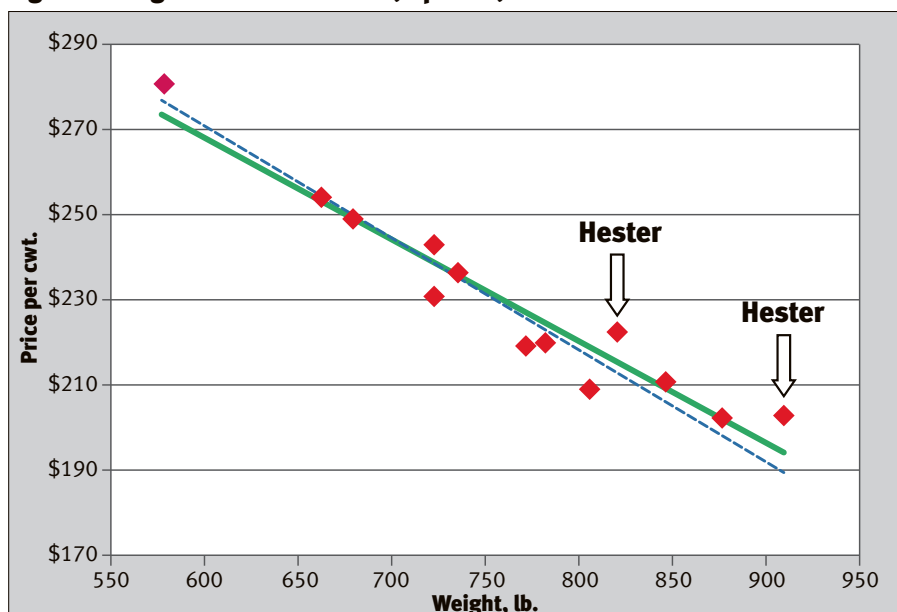
That was the greatest premium the program had ever showed, but Brink admits his program probably didn't account for even half of that; the Hester family has had a multi-generational connection with the Torrington market.

"I've had guys talk to me over the years," says John Hester. "It always came back to them wanting to buy the calves

on the ranch and not going through a sale barn. Well, I want to maintain our relationship with Lex and Shawn Madden and Michael Schmidt at Torrington. They do a great job for us."

Brink and Hester's seedstock supplier, Ken Haas Angus, LaGrange, Wyo., contacted the fourth-generation rancher in April to see if they could boost market demand for those steers. Hester had purchased a \$15,000 bull at the Haas bull

**Fig. 1: Torrington Livestock steers, April 29, 2015**



Two slopes were calculated to represent the slide in cattle price as weight increases. The black line shows a simple average drawn from all steers sold at Torrington on April 29, 2015. The steeper line shows those sales without the Hester cattle, represented by those two dots "above and to the right," Brink says, "the premium area."

Steer wt.	Avg. premium per head	Premium dollars
821	\$73.89	\$9,310
910	\$102.78	\$6,578
Avg.	\$83.62	\$15,888



"We're always looking for ways to differentiate our cattle from the pen of black cattle next to them. With ours, you're getting our guarantee and the knowledge of what's behind them," says Wyoming cattleman John Hester.

sale in February, and sires of those steers had a \$B average of almost \$110, near the top 10% of the breed, and easily qualified for TDA.

“Tom was the first one to say he was not interested in telling me how to market my cattle,” Hester says. “He just wanted to do his part to help. I had a really good experience. It was all of a sudden, and we had to hurry on this one, but I really think as time goes on Top Dollar Angus can add more value.

“We’re always looking for ways to differentiate our cattle from the pen of black cattle next to them. With ours, you’re getting our guarantee and the knowledge of what’s behind them,” he says. “Without Top Dollar Angus, there would have been no way to explain the high \$B genetics in our calves, but they worked together with the Torrington market to publicize that.”

Brink alerted 40 feedyard buyers in a day’s time.

“Half were already in my network and half were other yards we thought might be interested. John’s cattle were going to command extra value that day in any case, but we took that to a higher level,” Brink says. “We support the sale of Top Dollar Angus cattle through any marketing channel the owner wants to use.”

### Quality built in

Hester, who manages up to 700 Angus cows with wife Sheri and their sons Hayden and Drew, had to cut back sometimes over the years because of drought conditions.

“We rebuild by keeping replacements from within each year, especially in better years like the last two, and that lets us maintain the kind of genetics we want,” he says. “We’ve purchased bulls from Ken Haas for more than 30 years.”

Winter can be harsh in the area, so the Hesters calve from late April to mid-June to give calves every chance to succeed with few worries about the weather.

“There’s nothing better than seeing a calf born on the 10th of May that does nothing but gain every day of his life,” he says. “A February calf out here spends 30 to 35 days standing in a rut and all he can do is survive.”

Not so many years ago, ranchers dealt only in cattle, letting feedlots worry about beef, but those days are gone, Hester says.

“At the prices people pay today, they want a good experience every time they buy beef, whether it’s a hamburger or a ribeye steak,” he says. “It’s our responsibility to start them right so the consumer can have that good experience.”

Back in Missouri, McCarthy echoes that.

“I’m kind of a foodie,” he says. “I want to raise what’s good to eat, and that starts with marbling. Even in the AI (artificial insemination) bull catalogs, I see some with negative marbling EPDs (expected progeny differences). It makes me wonder, who’s got too much marbling that they need to reduce that?”

McCarthy’s bull battery has an

average marbling EPD of 0.71, compared to the breed average of 0.45.

“The beauty of Top Dollar Angus is this is about the only way to capture the value from that without retaining ownership or partnering,” he says.



**Editor’s Note:** Steve Suther is director of industry information for Certified Angus Beef LLC.



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