

ANGUS

BEEF BULLETIN®

"The Commercial Cattleman's Angus Connection"

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Hands-on Marketing

After selling his calves outright through a video sale, a Kansas cow-calf producer agrees to partner with a Nebraska feeder.

Story & photos by
PAUL DYKSTRA

The American farmer can grow and deliver loads of grain, forage or livestock. Quality and performance are keys, but marketing makes all the difference in profitability.

The challenge is magnified for the cow-calf operator because there are few chances to get it right with each calf crop. Luke Hoeme, Preston, Kan., keeps that in mind as he and wife Tammie and daughters Allie and Addie make their living on land they purchased from his grandmother's estate.

They appreciate tradition, but

calf marketing takes innovation and a current view. "The federal government subsidizes the farmer, the ethanol maker, aviation and a lot of other sectors," Luke says. "But they don't subsidize the beef producer."

"That's why in this industry, we're always looking for niches in the market to help profitability," he continues. "Every little thing that we can do to make these calves bring more money benefits us."

Luke doesn't begrudge any subsidies; after all, he is a farmer, too. The observation simply reminds him of the financial reality: He must focus on marketing his calf crop at the same time he is producing it.

"We only breed to half-brothers and keep to a 60-day calving window, so we get a pretty uniform set of calves," he says. After weaning, he backgrounds them for 45-60 days and sells them on the Superior Livestock Auction video system.

Last year, he enrolled the calves in the AngusSource® program, which fit the marketing goal as a "niche market to help these cattle bring a little more of a premium."

Tammie adds, "Since we had all of the paperwork in place and we had the registered Angus bulls, it was just a matter of us adopting and doing it."

What happened next could become a model for other cow-calf producers who want to explore postweaning calf performance and carcass merit.

(Continued on page 2)

INSIDE

Features & News

- Here are two opportunities for *Bulletin* readers. 4
- A Wyoming ranch proves cows that live on salt sage and rocky slopes can hit the CAB target. 22
- Certified Angus Beef LLC announces elite performers for 2008. 26
- Alabama cattleman expands his options with a quality plan. 34
- Information, selection and cooperation lead the way for this Alabama cattleman. 38
- Minnesota beef producers must make modifications in effort to regain TB-free status. 42
- As Western states contemplate a uniform trichomonosis control program, California confronts its trich problem with enhanced regulations. 44
- King Ranch executive urges ranchers to 'plan for profitability in ethanol era.' 48
- Producers need to be cautious of how they're spending money. 51
- Buying forage? Here are a few tips from the experts. 52
- Applied repro strategies symposium is Dec. 2-3. 56
- Angus, produce and children are all homegrown at this West Virginia farm and market. 60
- Help us stay on target by submitting the readership survey. 72A

Column Links

- Movin' Forward 8
- Association Link 10
- AngusSource® 16
- Commercial Programs Department 18
- Certified Angus Beef LLC 32
- The Veterinary Link 62
- Ridin' Herd 64
- Market Advisor 68
- Angus Sales 70
- Beef Talk 78
- Back to Basics 80
- Outside the Box 84
- Advertiser Index 86

Staff

- Angus Productions Inc. 2
- American Angus Association 8
- Certified Angus Beef LLC 32
- Regional Managers 86

Services

- *Angus Journal*® subscription form 63
- NJAA membership form 36
- *Bulletin Extra* signup information 79
- American Angus Association® membership form . . . 79

BETWEEN ISSUES

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with Association commercial programs and read more **Bulletin-type features** by subscribing to the **Beef Bulletin Extra** at www.angusbeefbulletin.com.
See page 4 for details.

Above: To gain firsthand knowledge of their partnership interest 300 miles north, Luke Hoeme (left) and his family took a trip to visit Nebraska feeder Bill Robinson and to view their steers as they neared finish weight. Walking through the pen with notebook in hand, Luke studies ear tag numbers and ultrasound data to match up all the pieces of the puzzle.

Hands-on Marketing *(from cover)*

Herd improvement opportunities

In past years, all the planning and preparation culminated in a fairly traditional auction sale, with the familiar goal of topping the market. But this winter, a presale inquiry from Nebraska cattle feeder Bill Robinson turned it into something new. Suddenly, the Hoemes saw a chance to expand their business network, learn more about feeding and use carcass data to further improve their herd.

They found that the U.S. Department of Agriculture (USDA) process-verified AngusSource program went beyond recording the age, source and genetics of their calves; it created a Marketing Document to advertise them for sale on the program's weekly e-mail to buyers and feeders.

That's how Robinson, partner and manager at Highland Feeders, Belgrade, Neb., came upon the idea of buying the Hoemes' calves. Highland has been a Certified Angus Beef LLC (CAB) partner in the Feedlot-Licensing Program (FLP) for more than five years.

"Without the AngusSource listing service, I wouldn't have ever known about the cattle," Robinson says. "When I got the e-mail and noticed these cattle, before the sale, I called Luke and explored the possibility of him retaining ownership."

The Kansas producer would think about it.

"Then, I just bought the cattle [on the Superior video] and at delivery time, he decided to keep a part of them," Robinson explains. That decision made Luke a partner on a small percentage of his steers through the feeding phase.

And, since Highland Feeders is an approved AngusSource feedyard, Robinson and his staff seamlessly manage the process-verified documents required by USDA, qualifying the cattle for age- and source-verified premiums through the packers.

Despite a disappointing spring market for finished cattle, Luke looks ahead with confidence in the cattle he raises. "As high as feed costs are now, this could be an opportunity for producers with known genetics who have been paying attention to their mother cows," he says. "The cattle feeder who doesn't know the calves can't figure on a profit, so he is going to have to pay less to the producer. I just think that's a good opportunity for retained ownership."

The Hoemes' cattle fit the pattern of "known genetics," and their owner has surely been paying attention. "I study EPDs (expected progeny differences)," Luke says. "They are pretty doggoned important to me."

"There are several important traits, but first I need fertility. If those cows don't get pregnant, then I'm not



Tammie and Luke Hoeme and their daughters, Allie and Addie, make their living on land they purchased from Luke's grandmother's estate.

making any money," he notes. "Carcass is also important to me — it really is — but if you take too much of one thing, it's not good, either."

With focused use of artificial insemination (AI), Luke has a vision of incorporating balance. He will have maternal strength, postweaning growth and carcass traits, all within a few generations of breeding to industry-leading Angus sires. This year, his 250 cows will be AIed to a single balanced-EPD Angus sire that is especially low in birth weight and strong in maternal traits with plenty of yearling growth.

"I've bred heifers to him and found that I can go in at eight or nine o'clock at night; I don't have to get back up and check them again," he says. "He may not be the best in the industry, but he does have some carcass merit, too."

The retained heifers from that mating will be bred to a top-percentile Angus carcass bull, completing the balance from an EPD standpoint.

Phenotype certainly isn't overlooked in the Hoeme herd, either. To service the cows that are not bred artificially, he's been purchasing Angus bulls from George Ochsner and Sons, near Torrington, Wyo., particularly for their growth and "stretch."

Firsthand experience

To gain firsthand knowledge of their partnership interest 300 miles north, the Hoeme family took a trip to visit Robinson and to view the steers as they neared their finished weight. Walking through the pen with notebook in hand, Luke studied ear tag numbers and ultrasound data to match up all the pieces of the puzzle.

Robinson provided some clues while Luke watched the steers.

"Regardless of whether we grid these cattle, we'll be able to get individual carcass data through the Certified Angus Beef office," the feeder said. "Even though it's only a percentage of your herd, you'll be able to start correlating some of the data and doing your comparisons."

When the first harvest group of 38 sold on the GeneNet grid in late April, nearly 80% were Choice and 24% had enough marbling to qualify for the *Certified Angus Beef*® (CAB®) brand, though there were four Yield Grade (YG) 4s and one heavyweight discount. It was a solid start.

Reflecting on the novel approach of buying cattle outright and then entering into a partnership at delivery, Robinson says, "It's been an advantage. Granted, I paid more for the cattle, but there's been nothing that I don't like about them. We'll see how they do at the packing plant, but the health has been just excellent, since they were weaned when we bought them."

Undoubtedly, the fed-cattle market didn't cooperate as well as either partner hoped for this year. But, with a "so-far, so-good" response from both producer and feeder, this relationship probably won't end when they roll down the end-gate on this year's pen of steers.



Robinson discovered the Hoemes' calves through their AngusSource® Marketing Document, which he received through the program's weekly e-mail to buyers and feeders. Highland Feeders has been a CAB partner in the FLP for more than five years.

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