History Sets the Bar

All cattle sell on grids, says buyer.

Story by

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"Even if you don't grid your cattle, you o grid."

Cattleman and packer-buyer Tim Schiefelbein didn't say that to confuse people. He just shared that bit of reality with Feeding Quality Forum (FQF) attendees in Grand Island, Neb., and Amarillo, Texas. The price the packer is willing to bid on your cattle is based on his experience with your cattle in the past.

"When a packer goes to buy your cattle, he looks at his report card and he says, 'How is this guy doing?' If your cattle have done well, he's going to be more likely to buy them," he said. "And you're going to have an easier time selling them or another group of cattle that might not be as good."

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Schiefelbein spoke from dual experience. A partner in Schiefelbein Farms, a registered Angus operation near Kimball, Minn., where they also feed 5,000 head annually, he also has worked more than 17 years for national packing companies. He is currently a contract manager for American Foods Group.

"The best way to get paid for your high-quality cattle is selling on a valuebased grid," Schiefelbein said. But it's not the only way. There are advantages to selling on the cash market.

"You're able to sell your cattle when you want to sell your cattle and, with the volatile market, knowing you can get them sold at any point in time is very important, whether you're a hedger or just a cash market seller," he said. "If you're a hedger you win because the basis is better."

Quality adds flexibility

Having cattle with the genetic potential to marble gives more flexibility in management, too.

"It allows you to implant them stronger and have less effect on marbling. It doesn't

suck it all out," Schiefelbein said. "You can also push your cattle faster at a younger age."

He said it may be easier to get a yearling to marble, but to get the same quality with a 12-month-old calf takes more attention to genetics.

"Getting them to grade more with less feed is

important today," Schiefelbein said.
"When corn gets to \$6 a bushel, you should have some marbling in your cattle. You want to get these cattle in and out, and you want them to grade."

The biggest disadvantage to better cattle?

"They cost more," he said, noting that the only time they "pay too much" for them is when they aren't truly higher quality: "You thought they were, and they weren'r"

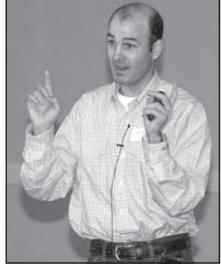
Quality begins with seedstock

Carcass traits are highly heritable, and Schiefelbein knows beef quality starts with his ranching segment of the industry.

"As a seedstock producer, everybody's my customer," he said. "I have to make sure the cow-calf producer is happy, that they calve easy and grow fast and everything else. My next customer is the feeder. I sell a lot of calves to different feeders, so I have to make sure they gain well, are healthy and, thirdly, help them market those cattle to a packer that markets to a retailer or restaurateur."

But genetics are only part of it, he said, noting good health can have profound effects.

"If you have the right health and the



"As a seedstock producer, everybody's my customer," said Tim Schiefelbein, referring to all those in the food chain, from cow-calf producers to consumers.

right feedlot, you'll express those carcass traits," he said. His family only lost two head to sickness in their yard last year, and they maintain a website that outlines the requirements for branding, preweaning and weaning.

"They'll listen to you when you're buying their calves," Schiefelbein said.

He reinforced his main point as he closed: "Marbling is important no matter how you manage or sell your cattle. You always want more of it, rather than less of it. Why not have more?"

