

# IMPACT



Adams County Extension Office, 203 S. Galena, PO Box 43, Council, Idaho 83612, 208-253-4279, FAX 208-253-4279

## Cattlemen Gain Performance Information through Retained Ownership Program

### *The Situation*

Beef production involves several phases from the time the calf is born until the consumer is enjoying a prime rib dinner. Unfortunately, information transferal is not good in the beef industry. Often ranchers do not know how their cattle perform in the feedlot or packing house. It is difficult to produce the right kind of cattle without accurate evaluation of performance in all phases of production.

### *Our Response*

University of Idaho faculty developed an Idaho Total Beef education program with input from ranchers, bankers, feeders, packers and allied industries. Ranchers participate by enrolling a sample of their calves (5-50 head) in a feeding trial. The calves are preconditioned (weaned, vaccinated) on the ranch and delivered to Bruneau Cattle Company Feedlot. The feeding trial starts in November and ends in May when the finished cattle are processed at Iowa Beef Processors (IBP, Boise). Owners receive feedlot, carcass and economic information on their calves.

Objectives of this integrated resource management (IRM) program are to help ranchers (1) broaden their knowledge of the whole beef industry (2) gain feedlot, carcass and economic information on their own cattle (3) investigate alternative marketing options (4) identify variables that affect profitability (5) compare heifer and steer performance

(6) manage risks and (7) apply knowledge to their own ranch management.

Educational methods include (1) rancher participation through ownership of cattle (2) computer projection of anticipated performance (3) monthly progress reports (4) feedlot tour and update (5) market reports (6) paper hedges to track live cattle and futures prices (7) individual animal, ranch and pen data (8) performance and financial analysis (9) packing house tour and carcass viewing and (10) published reports and articles.

### *Program Outcomes*

The retained ownership program was determined a success. One hundred seventeen ranches from 4 states consigned 5,946 head of cattle (3,577 steers, 2,369 heifers) to the "A to Z Retained Ownership, Inc." for the eleventh year of feeding trials implemented in 1992-2003. Cattle performed similarly each year. Marketing date, feedlot average daily gain and price premium or discount based on carcass quality and conformity account for most of the variation in profitability among animals. Recent pricing grids reward production of lean quality carcasses. Surveys of the participants indicated a high level of satisfaction (96%) with the program.

Producers classified the performance information as most useful in making the following decisions: 75% in fine-tuning ranch management, 63% in selection of bulls and replacement heifers, 63% in deciding to

retain ownership of their calf crop as part of the marketing plan, 50% in enhancing the marketing of their calf crop.

Producers saw enhanced profitability of cattle in retained ownership during 2003 for the 321 steers and 260 heifers enrolled in the program. Steers averaged an additional \$96.40 per head and heifers averaged an additional \$136.60 per head over what would have been generated by selling weaned calves in the fall of 2002.

#### **Comments from Participants:**

- “The purpose of the program is to help ranchers produce what consumers want and that requires knowing how their animals perform.”
- “Whatever you’re growing, whether it’s grain or cattle or anything else, you want to produce the best that you can.”
- “It gives me an overall idea of the entire cattle business. You follow your animals all the way and it gives you a vision of the whole process.”
- “Our cattle are pretty uniform, but the carcass value of our calves varied by up to \$150. We didn’t realize there was that much difference.”
- “It is a real eye-opener when the producers can view their own carcasses being graded and see the size of the rib-eye, the amount of marbling, the quality grade and the yield grade.”
- “I’ve changed bulls to improve my quality grade without sacrificing average daily gain.”
- “I’ve been surprised at the profitability variation between the high calf and the low calf.”
- A purebred Hereford breeder uses the information to determine how well his bulls are doing and which bloodlines to use.
- A rancher used his calves’ performance data to help sell calves via a satellite video auction.
- “This is a way for a smaller producer like me to keep track of where my herd is going.”
- “I like the creditability of the information.”
- “The A to Z program is the most reliable program that I have been involved in to gain and understand the performance data.”

- “The value-based pricing of the individual carcasses emphasized the importance of quality cattle.”

#### ***The Future***

Plans are to continue the program. Each year, participants evaluate the program and suggest changes and interest emphasis. Educational programs are designed to address those interest topics and current situations. The 2003-04 feeding trial is about to start. With strong cattle prices during the fall of 2003, we anticipate that numbers will be down.

#### ***Participating Faculty***

Neil Rimbey, Range Economist  
Gordon Keetch, Adams/Washington Counties  
Scott Jensen, Canyon County  
Will Cook, Gem County  
Eric Morrison, Owyhee County  
Benton Glaze, Beef Specialist  
Pat Momont, District II Director  
Jim Hawkins, Custer County  
Jim Church, Idaho County  
Shannon Williams, Lemhi County  
C. Wilson Gray, Economist

#### ***For More Information***

Gordon C. Keetch, Extension Educator  
University of Idaho  
Adams County Extension  
PO Box 43  
Council, ID 83612  
Phone/Fax: 208-253-4279  
E-mail: [adams@uidaho.edu](mailto:adams@uidaho.edu)

27-03gkeetch-cattlemen.doc  
10/03