



## *The herd improvement game*

By Steve Suther

It's the biggest annual cost item in the cattle business, and it's getting even bigger. Ding-ding-ding: What is feed?

That's right. If you don't keep a lid on it, profitability of your entire cowherd will be in "Jeopardy." Cattle for \$100: The main ingredient in many cattle rations, this grain is also the staple of all those ethanol production plants that are popping up like mushrooms. Ding-ding-ding: What is corn?

Right again. Oh, you want Cattle for \$200? It's the Daily Double and you'll wager everything. Fewer soybean, sorghum, wheat and hay acres, higher land prices and more ethanol by-products in cattle feed . . . What happens when corn prices double?

Close enough. But that's only the beginning of an economic chain reaction. With its growing infrastructure and links to the multi-trillion-dollar oil industry, ethanol's effects will be far-reaching. Even if tax policy changes, that train has enough momentum and critical mass to keep on rolling. Not only your herd, but the entire beef industry could be in jeopardy.

Oh Alex, enough drama. If "The Price is Right," we can trust producers to do the right thing. Look at the difference in boxed beef values between USDA Choice and Select beef. Is it \$6, \$12 or \$18/cwt.? Most observers see it widening past \$20 again. So, of course, producers will respond by generating more cattle that grade Choice and higher.

Time for some "reality ranching." Most producers pay no attention to the Choice-Select spread, because they sell calves at weaning.

But each rancher's "Wheel of Fortune" can lead to unintended crimes against beef quality. When the wheel isn't kind to a producer, he may not have enough money to buy a vowel, let alone \$4/bushel corn. He may cut corners to form a wheel of misfortune for calves that skipped their preconditioning shots or had to eke out a living on stalks or poor quality hay while waiting for better days.

“Fear Factor” may keep producers from exploring the game of retained ownership on feed at home or in a commercial feedlot. After all, we’re talking about \$4 corn and who knows if those calves can gain and grade? It’s easier to guess what’s behind door number three, “Press Your Luck” and play “Let’s Make a Deal” with fad answers.

Anyone on “Hollywood Squares” could help you decide: Should you assume the world has changed too much for your cows? Should you liquidate all those years of building a herd that can hit the high-Choice, grain-fed target? “Deal, or No Deal?”

Don’t react to the fear factor by switching breeds unless you have already been considering one that can finish with fewer days on feed. The United States is still the world’s leading source of grain-fed beef, and grass-fed beef will not gain more than a niche foothold domestically.

Still, you can’t escape the question: is it time for an “Extreme [Herd] Makeover?” Only if your cattle lack the potential for early, rapid and efficient growth toward a high-quality endpoint. Find out what they need—and you can be sure they need something.

Most producers are unaware of the educational herd-improvement “games” going on across the country, in the form of steer futurity and feed-out programs. Your state Extension beef specialist can get you in these games where everybody wins. You can sample your herd without feeling like you’ve gone “all-in” on the World Poker Tour. The information feedback is well worth the entry fee, and provides a basis for deciding how extreme your herd makeover should be.

You can’t have too much efficiency or carcass quality, though it may be possible to have too much growth potential in your cattle. Generations of selecting for higher yearling weight usually lead to increasingly large females in the herd. Checking scale weight on cows and their calves can help you cull the bottom end that could never make it past the first round in a beef version of “American Idol.”

As a consolation prize for drought and winter storms—with cattle and beef supplies lower than expected—prices remain strong at auctions and packing plants. However, continued strength depends on cattle type and condition. Higher-priced feed and your reactions to it may lead to a wider spread in values.

Every animal has its price. “Who Wants to Be a Millionaire?” Cattle backed by favorable feedlot and carcass data will help you get there, compared to the unknown cattle. The “Password” is predictability. So cull if “The Joker’s Wild,” and start building your “\$100,000 Pyramid” today.

Next time in *Black Ink*, Miranda Reiman will look at taking steps on a lifetime journey. Questions? Call toll-free at 877-241-0717 or e-mail [steve@certifiedangusbeef.com](mailto:steve@certifiedangusbeef.com).

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