

Questions, Answers and Options Heartland Offers Many Things To Cattlemen

By Steve Dittmer, Contributing Editor

Options, planning, evaluating, marketing...these are the prominent concepts that keep popping up when you talk with Patsy Houghton and Cal Siegfried of Heartland Cattle Company, McCook, NE.

Cattlemen need more answers more quickly all the time. Houghton and Siegfried are in business to assist with both the questions and the answers. Houghton is quick to point out that options are necessary because neither the questions nor the answers are the same for everybody. Cattlemen around Nebraska and elsewhere in the country have different weather environments and different feed resources and, therefore, their goals may be different.

But on an even more basic level, cattlemen need to know and accept what kind of cattle they have now. Then they need to decide how to maximize dollars from their current cattle genetics. Finally, they must decide if the cattle they have now can be improved, or if they need to embark on a transition period to get their cattle to a whole new level.

Cal Siegfried, a former Ag Banker in McCook who also has fifteen years experience in the commercial cattle feeding industry, joined with Houghton and Stuart Seidner in 1990 to start Heartland Cattle Company. The idea was to develop genetic sourced heifers for cattlemen in a controlled setting on an optimal health and nutritional program. The heifers would be screened first for functional soundness then bred by A.I. in a short breeding season (35-45 days) to high accuracy EPD, multiple trait sires and confirmed pregnant before being delivered to ranchers. To date, they have developed nearly 40,000 heifers this way. And along the way, they have gathered enough data to reveal a startling amount of support for the concept that genetic quality pays – in dollars and sense!

A key part of the plan all along was that the steer mates and the heifers that didn't pass the replacement heifer screening tests (functional soundness, reproductive tract score, pelvic measurements or didn't settle within the time limit) would be fed out to gather feedyard performance and carcass data. The cattle have been fed at the operation's 9,000-head feedyard known as Heartland Feeders II located near Menlo, KS. Not only has this enabled them to gather data on the heifer mates culled from the development program but now they have data to examine on the progeny of the bred heifers they have developed – with impressive results (see table). In fact, they have both performance and the cost data to show that their custom developed heifers can recover any extra costs by the time the heifers wean their second calf. At that point, a rancher has a young cow just beginning her most productive years with top-drawer genetics that can add extra dollars to his bottomline for years to come.

Because of the demand for feedyard space by heifer development customers to feed their calves, Heartland Cattle Company took a very significant step recently, boosting their

finishing feeding capacity by 15,000 head. They have acquired a 15,000-head feedyard near Holdrege on a long-term lease and Siegfried has moved his office to that yard to begin the process of upgrading and readying the yard for a new regime and new cattle. Siegfried figures the yard will be ready to begin receiving cattle in July. They have Nebraska BQA certified personnel on staff and plan to begin placing Nebraska Corn Feed Beef (NCFB) cattle along with cattle associated with a number of other alliances.

Their feedlot program has historically offered many options for feedlot or retained ownership customers looking to capitalize on improved genetics. Certified Angus Beef (CAB) Sterling Silver, Angus America, Angus Gene-Net, US Premium Beef (USPB) and the Red Angus Pride programs are for high quality cattle. They can also market cattle through grids specifically designed for high muscle, red meat yield cattle.

“People have to understand the grid game,” Siegfried says. “Cattlemen would like an easy answer but that’s not the way it works. Time of marketing, cattle type, Choice-Select spread and weather can all play a role in how a set of cattle will perform on any given grid. It’s important to realize that various grids are not necessarily “good or poor” they are simply different. The key is to know what kind of cattle you have and what grid they will fit. For example, high muscle, high red meat yield cattle that will quality grade high Select or low Choice belong in a grid designed for that kind of cattle. They don’t belong in a high quality CAB or Sterling Silver grid. In contrast, high quality grading cattle would not receive appropriate premiums on a grid designed for high muscle cattle.”

“Each grid is designed to provide *consistency* to their customer/s so that is why you see differences in premiums paid by various alliances for quality vs. yield grades. For example, if a marketing program is designed around USDA Select product then the customer expects to see that product in the case. If high choice product is suddenly placed in the case it appears different to the customer and therefore is less valuable to that particular program. In contrast, that same high choice product would be considered very valuable to a program that provides product to the Hotel Restaurant trade. Heartland Cattle Company has a long history working with these high quality programs.”

In fact, the American Angus Association recently announced that Heartland Feeders II is the first licensed CAB partner feedyard in the United States to reach their bronze Thirty Ought (30-0) status. That means 500 cumulative head have been harvested with a minimum 30 percent CAB acceptance rate and zero “out” or “discount” carcasses. Heartland achieved that status in eight months time, and actually is already well on its way to the next level.

The operation also does research and development work, contracting with animal health and feed companies, the Food and Drug Administration (FDA) and private individuals researching new products and procedures. They have two large-scale projects underway now and have completed 25 projects over the past eleven years.

Another service offered by Heartland Cattle Company includes weaning calves at the McCook facility for retained ownership customers. Every fall they wean approximately

7,500 bawling calves for ranchers looking to take advantage of the yard's expertise and facilities to get calves started properly for life without mama. These calves are all individually identified for eventual feedyard and packing plant informational purposes. The data being gathered on the progeny of Heartland developed heifers going through the Heartland Feeders II finishing yard is fascinating stuff.

"The customers who come to us normally have cattle already at the high end of genetic and performance levels," Houghton says. "These data show that even high performing programs can get to the next level for performance and genetics – and see it pay off in bottomline profitability. Looking at the chart of 3,500 head of grid-marketed cattle in 2000 shows that not only have the heifers' progeny jumped significantly in premium carcass quality (46.65 vs. 27.78%), but yield grades have stayed stable at high levels of over 96 percent. Meanwhile, average daily gain has improved by almost 0.5 lbs./hd/day (3.64 vs. 3.16 ADG) and cost of gain has decreased (\$0.4073 vs. \$0.4432 COG) when compared to other high quality, retained ownership Angus-based calves.

Houghton continues by saying about 60 to 65 percent of the heifers developed each year are heifers being developed for ranchers who want them back for their own replacements. The balance are heifers which have been purchased from long-term genetic suppliers then developed by Heartland for long-term buyers who order specific genetic packages. Customers specify the breed type, frame score, service sire/s and calving dates and intervals. Houghton says 85 percent of their original heifer development customers from eleven years ago are still developing heifers at Heartland Cattle Company today. That speaks well both for the Heartland program and for the profitability of identifying and producing genetics according to specification for their customers.

Heifers are developed for both purebred and commercial ranchers. On the commercial side, ranchers have different goals. For example, some ranchers want straightbred Angus or Red Angus heifers to serve as replacements for a herd designed to consistently produce high quality beef. The steer mates and heifer culls from these cattle fit nicely into the high quality grid programs at the finishing yards. Other ranchers want crossbred females they can eventually breed to Continental bulls that will have steer and heifer calves more suited to high muscle grid programs.

Heartland doesn't claim to have all the answers but you might find in talking to them that they have data on questions you've always wondered about... or haven't even thought of yet.