

IMPACT



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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 fourteen ranches from 4 states consigned 5,485 head of cattle (3,332 steers, 2,153 heifers) to the "A to Z Retained Ownership, Inc." for the ten years of feeding trials implemented in 1992-2002. 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: 81% in keeping abreast with changes in beef industry, 77% in fine-tuning ranch management, 72% in selecting replacement heifers and bulls, 54% in deciding to retain ownership, and 50% in enhancing marketing through contract sales.

In February 1999, A to Z Retained Ownership, Inc., received the Governor's Award for Excellence in Agriculture in Marketing Innovation for helping producers investigate marketing alternatives, identify variables that affect profitability and learn to manage risk.

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 2002-03 feeding trial is in progress.

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
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