

CHAROLAIS

edge

Value-Added Solutions

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Building the Ideal Feedlot Steer

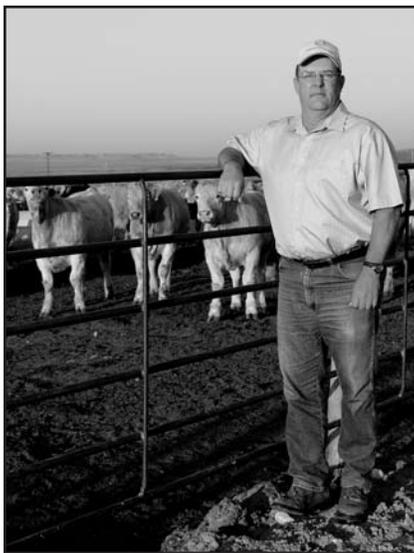
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Photos by Graphic Arts of Topeka, Inc.

From pounds and performance to high yields and respectable quality grades, Charolais-influenced cattle can offer it all to feeders and packers.

A two-year study currently underway by the American-International Charolais Association is validating the efficiency and profitability of Charolais and Charolais-influenced cattle in the feedyard and at the packer level.

The Charolais Feedyard Performance Field Study is being conducted to prove what the industry said 40 years ago – the Charolais crossbred steer is the model for the modern beef industry – and



Tim Peetz, manages Dinklage Feedyards, Sidney, Neb. Charolais and Charolais-cross cattle make up more than 60% of their 22,000-head capacity.

what feeders and packers continue to find today with Charolais-cross genetics. It's not uncommon to hear feeders reference the efficient, larger-framed Charolais-Angus crosses as the "good, black-nosed Charolais" or as the "ideal" feedlot steer even in today's less-than-ideal feeding environment.

Focusing on quality grade

Handke Feedyard owned by brothers Paul and Terry Handke, run a 5,000-head custom lot near Muscotah, Kan. "Typically the cattle we feed are black or some

part of their pedigree is Angus, and in those cattle are some Char-Angus crosses," Paul Handke explains.

"As far as feeding cattle, they're pretty hard to beat. My comment would be the smokey Charolais are always very good feedlot cattle and perform extremely well. Typically you're going to see, as far as cost per pound of gain, that they'll be competitive because they're intake on a daily basis is higher than a straight-blooded animal."

Each year a customer also feeds some 60-80 head of home-raised Charolais. Over the last three years the 252 head of mixed steers and heifers have yielded 63.98%.

Handke compliments the Charolais breed on its ability to efficiently gain in the feedlot and yield on the rail.

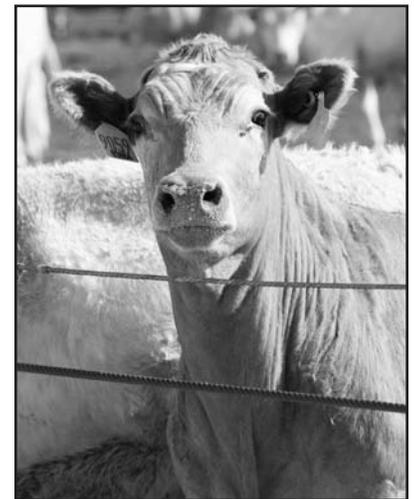
"One thing I like about the Charolais is if you have some Charolais blood in the cattle, they'll typically yield better than an animal that is just an Angus or Hereford. That would be one advantage.

"If you cross them up with a black calf, then you get the best of both worlds – you get improved yield from Charolais and improved grade from the Angus. That's why we like them as a feedlot animal."

Typically the cattle marketed by Handke Feedyard will grade in that 70- to 90-percent Choice range. "Our feedyard last year averaged about 81 percent Choice or better," Handke says, and most of these cattle were basically black-skinned.

So, the smokey Charolais cattle fit right in with this feedlot's end goal of a Choice-quality product. According to Handke, a smokey will typically quality grade in the 70 to 80 percent Choice or better range.

As far as having his choice of what type of cattle to feed, Handke says, "I would say a smokey Charolais would be about as ideal as you could get."



Feeding for efficiency

Tim Peetz, manager of Dinklage Feed-yards, Sidney, Neb., also confirms that larger-framed, growth-oriented steers and heifers with Charolais genetics have no trouble efficiently adding red meat and then yielding.

Dinklage-Sidney, located in southwest Nebraska, feeds 22,000 head of cattle, with some 60 percent of them Charolais-crosses. A good many of these cattle are owned by Eaton Charolais and Eaton bull customers who retain interest in their cattle.

Peetz says, “The conversions with those cattle are quite a bit better than a normal pen of cattle or put-together pen of cattle. We get a lot of conversions in the 5.6 to 6.0 range.”

In fact, four pens of Eaton black-nosed Charolais steers and one pen of heifers harvested this past summer converted from a low of 5.4 to a high of 5.86 pounds (lbs.) per day; the five pens averaged 5.66 lbs. with an average 72.62-cent cost of gain [see Table A]. The heifers finished at 1,202 lbs., while the four pens of steers averaged 1,330 lbs.

“These cattle were more efficient which translates into cheaper costs of gain,” Peetz remarks.

He comments that the 81-head pen of steers with the 5.4-lb. conversion would be ranked in the feedlot’s top-10 for best conversion rate. How important is dry-matter conversion to a bottom line? Dinklage’s nutritionist, Mike Sindt of Scottsbluff, Neb., puts it into perspective.

Say a dry-matter ration costs \$180 per ton. On a 6.0-lb. dry-matter conversion to 1-lb. of gain, the cost is .54 cents; on a 5.9-lb. dry-matter conversion, it costs .53 cents – a penny difference.

If a calf comes in weighing 500 lbs., and goes out at 1,300 lbs., a penny is worth \$8 per head (800 lbs. x .01 cents), just on feed conversion savings alone. Take that \$8 and multiply it times the number of head on feed in one pen, and it can add up fast. And that’s just by improving cost of gain one-tenth of a pound.

Sindt says, “The higher the ration cost, the more it’s going to affect the cost of gain.” When feed was high and ration costs were, for example, \$300 per ton, a 6.0-lb. dry-matter conversion equaled a .90-cent cost of gain, and a 5.9-lb. dry-matter conversion, an 88.5-cent cost of gain. On 800 lbs. of gain, this 1.5-cent difference is \$12 per head.

“It’s all related to feed costs and the more expensive the feed costs

Table A. Black-Nosed Charolais				
Date Harvested	Number	Out Wt. (lbs.)	Conversion, dry matter basis (lbs.)	Cost of Gain (\$)
June '09	431 heifers	1,202	5.74	\$74.41
June '09	85 steers	1,290	5.86	\$75.14
June '09	77 steers	1,325	5.48	\$71.78
June '09	78 steers	1,348	5.85	\$73.15
June '09	81 steers	1,355	5.40	\$68.61

are, the greater magnitude conversion has an impact,” Sindt says. He adds that factors such as feeding practices and feed quality make a difference in feed efficiency, and genetics as well as weather can make a “huge” difference.

Performance on the rail

While the Eaton-bred black-nosed Charolais were efficient on feed, they also performed well on the rail. When four of these pens were harvested on a yield grid, they all yielded over 64 percent.

“These Charolais-cross cattle did very well on that,” Peetz emphasizes. They’ve only started gridding cattle recently after a packer pointed out that the cattle were yielding well, and they might be able to capture more value through a grid.

Peetz shares the exceptional pen was filled with heifers that yielded 65.98 percent. Each grid is based off the plant’s average for the week, and if cattle yield above that, there’s more of a premium to be had.

He points out that a feeder wants to keep yields at 64 percent and above. Some of Dinklage’s “regular” pens will yield around 63 to 63.5 and some may be below 63, he says. These pens of mixed genetics are marketed live in order to reduce risk.

In order to market on a grid, information is paramount. In the case of these four pens with known Eaton sire genetics, past feeding history and carcass information helped build seller confidence.

Peetz says from information he’s received back, on the grid these cattle earned from \$2 to \$4 more per hundred-weight versus being sold live. “Another

benefit is all of these cattle are age- and source-verified.” He adds, “All these things work hand in hand.

“Some of the premiums are up to \$50 a head for age and source verification. I don’t know if that will stay but, as of right now, you can get from \$35 to \$50 per head. It’s all driven by what the packers can export and by numbers – how many are available.”

The black noses also quality graded well – one pen of steers graded 91 percent Choice, and all pens were 80 percent Choice or better. Therefore, the future likely holds plans to try a combo grid that considers both yield and quality.

From his perspective on what is an ideal animal to feed, Peetz comments, “The Charolais-Angus cross is a very efficient animal, a very easy animal to market. You can go about any way with them.”



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Tim Peetz, manager, Dinklage Feedyard, Sidney, Neb.

Information reduces risk

Whether you're a cattle feeder or a producer who retains ownership, one thing is certain: the more information, the better.

"The more information that you have on cattle, the more opportunities and the easier it is to market them," points out Tim Peetz, Dinklage Feedyard Manager. "You can capture the premiums that you need to make it work in this industry."

Peetz estimates that within the last 12 months, from 60 to 65 percent of the cattle in the Sidney, Neb., feedyard have been of known genetics.

"The reason it's so high for us is we have a couple of big customers who are trying to follow their genetics." He says this percentage is not always as high as it was this past year. He does, however, foresee that the percentage of known genetics in their feedyard will keep rising.

"We have more customers who are requesting carcass data back on their cattle. They want to know what their cattle are doing. They're trying to get the correct ge-

netics, and it all goes back to efficiency – cost of gain, conversion – it's profit-driven. They realize where the industry is going, and are trying to get there."

Peetz also says that knowing the genetics and backgrounds of cattle helps "tremendously" with the health of these animals.

"We don't have near the problems as you do with a bunch of cattle that are put to-

"It really helps if you have some past history to know how they're going to perform on the grid."

Paul Handke, Handke Feedyard

gether from multiple sources. These cattle are coming in larger bunches and we're keeping them that way; we're not commingling them."

These known genetics also help at marketing time. "We're starting to build a database, and some of our customers are too," he says. Data collected from year to year

helps the feeder know what to expect from a customer's cattle, and helps in grid choice.

"It really helps if you have some past history to know how they're going to perform on the grid," comments Paul Handke of Handke Feedyard, Muscotah, Kan. "It's pretty hard to tell by the cover of the book what you're going to get into. I've had instances where you take the prettiest black bunch of calves and they will just perform average on the grid, and you'll take a pen of put-together cattle that aren't the prettiest, and they'll knock lights out on the grid."

In short, data collection helps better predict what lies under the hide.

Peetz says, "You are still going to have bunches of cattle that are put-together at the sale barn – you're never going to get away from that. But more and more, people are looking at how to capture a premium on these cattle. And that's how to do it – get the information and keep it."