

Thomas County Feeders converts to natural beef production

By John Maday
Drovers

hormones or fed animal by-products. Tyson serves as the processing partner in the program.



Hunter

Beef from carcasses meeting traditional CAB standards and the program's specifications for natural production will sell as CAB Natural Beef. Tyson also has introduced its own brand, Star Ranch Natural Angus Beef, for program cattle that qualify as natural but do not fit into CAB brand standards.

The five BMG feedyards devoted to the natural program currently have about 30,000 head on feed. Managers have shifted the entire operation in these facilities to natural production to avoid the possibility of cross-contamination in the feed mill or trucks, or other practices that would violate the program's natural standards.

"This reduces the chance for human error, such as accidentally feeding an ionophore to a pen of natural cattle," says Mike Hunter,

manager of Thomas County Feedyard of Colby, Kan.

Thomas County is one of the BMG feedyards converting to natural production. During the transition, the feedyard designated feed trucks and marked pens for natural feeding.

Crews will use antibiotics to treat sick cattle, Hunter explains, but will isolate those animals for eventual shipment to other feedyards. Those yards will finish and market them through conventional channels.

Source and process verification will be critical for maintaining integrity in the program, assuring that cattle meet the "never, ever" specifications, says the group's CEO, John Butler. Toward that goal, the BMG feedyards are working toward USDA Process Verified certification. Butler adds that BMG feeders are building relationships with producers whose cattle have good potential for a high CAB-acceptance rate.

CAB President Jim Riemann says acceptance runs around 16 percent overall, but some pens will hit 50 to 75 percent CAB. As buyers select for high-percentage Angus cattle with documented health background and no implants, he

expects a higher-than-average percentage of the natural cattle to qualify for CAB.

Riemann believes success of the program depends on communication between cow-calf and feedyard operators. "It takes a big commitment for the cow-calf producer to make the necessary changes in management practices," he says. The BMG group, he adds, recognizes they need to provide feedback and financial benefits to producers who can supply cattle that fit the program's needs.

Sickness in the feedyard is costly under any circumstance, but natural specifications compound the importance of health. In addition to the typical medical expenses and lost performance, Butler estimates at least a \$50-per-head loss in value for treated cattle that fall out of the natural program.

For this reason, the protocol for cow-calf producers recommends a VAC-45 program including two rounds of vaccines and parasite treatment.

With the group beginning to purchase cattle in September 2005, they had to take some non-weaned calves to meet their supply needs. In the future, Butler says, they will

move toward purchasing only fully weaned cattle.

A year-round supply of finished cattle is critical for branded-beef programs. To spread their market dates, BMG plans to purchase spring- and fall-born calves while placing some directly into feedyards and some into grazing or backgrounding programs.

For cow-calf producers with Angus-based herds, the program could offer new marketing opportunities and significant premiums. BMG buyers are working directly with producers and through a number of video and live auctions to develop supplies of calves including source, age and process verification. Producers supplying the program must sign a BMG affidavit verifying they have managed the cattle according to program specifications.

For now, BMG purchases all of the cattle they feed for the program, but Butler anticipates a retained-ownership option in the near future. "We have a lot of interest from end users, but we still don't know what the added value will be," he explains. The group wants to gain some experience, build the market and get information back to producers. Then, he says, producers inter-

ested in retaining ownership can make informed decisions.

By mid-February, cattle targeted to the natural program accounted for about 60 percent of Thomas County Feedyard's capacity as they build toward 100 percent. So far, Hunter says, the program cattle appear to be performing very well. He adds that health among the natural cattle has been excellent at Thomas County with a morbidity rate of just 1.55 percent through mid-February, in spite of variable weather with wide temperature swings. Over time, especially as feeder-cattle prices move cyclically lower, he expects retained ownership through the natural program to offer some good opportunities for producers whose cattle fit the system.

Cow-calf producers have been cooperative about supplying information and asking questions, Butler says, even when it has meant their cattle failed to qualify. They are eager to learn, make adjustments and supply documentation to qualify future calf crops.

Natural beef currently accounts for about 2 percent of U.S. beef sales, but the category is growing rapidly and these new brands probably will drive additional growth.

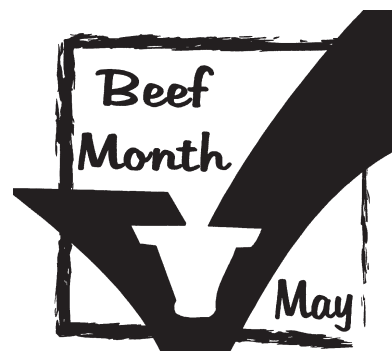
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- ~ **Kansas** ranks third in the value of live animals and meat exported to other countries at \$343.2 million (2004).
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- ~ **Kansas** ranks second nationally with 6.65 million cattle on ranches and in feedyards as of January 1, 2006.
- ~ Meat packing and prepared meat products manufacturing provide employment for over 18,700 employees in Kansas.
- ~ **Kansas** ranks second in fed cattle marketings with 5.3 million head (2005).
- ~ **Kansas** ranks third in total red meat production at 5.8 billion pounds (2005).
- ~ **Kansas** ranks sixth in the nation in the number of beef cows with 1.56 million head of beef cows on Kansas farms
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