



# Hard Work That Pays

**Two Hereford breeders share steps to organize a successful feeder-calf sale.**

by Keri Geffert-English

**P**roducers continually look for better ways to market their calf crop. Some look to Hereford feeder-calf sales as an answer to their annual marketing dilemma.

Developing an annual Hereford feeder-calf sale is a great way to market Hereford and Hereford-influenced calves to feedlots and cattle buyers. Breeders in two states — Kansas and Tennessee — have established successful sales while other groups have struggled to make a go of it.

“Hosting a Hereford feeder-calf sale is a great way to capture added value for quality, well-managed cattle,” says Jim Williams, Certified Hereford Beef (CHB) LLC vice president of supply. “But, there are key steps essential to making the event a success.”

What’s the secret? We talked with two breeders instrumental in



starting the Kansas and Tennessee sales to establish a checklist for developing a Hereford feeder-calf sale.

Tom Krauss is a Hereford breeder from Russell, Kan., and was one of the

Kansas Hereford feeder-calf sale founders. The first sale was held in October 1997, making this year’s sale the 10th annual.

He says the Kansas breeders recognized the need in the demand chain for Hereford calves because of CHB’s 1997 growth pains. Krauss says they observed the success of another breed-specific feeder-calf sale in the area with putting loads of like cattle together and commingling genetics. Krauss and the group consulted with Lovell Kuykendall, then with the American Hereford Association (AHA), about the need for Hereford cattle in the area. These Kansas breeders decided

they were going to take advantage of Hereford cattle demand and bypass the typical sale barn discounts received at the time.

In Tennessee John Woolfolk was a driving force behind the sale, which will be the sixth annual in 2006. The Tennessee sale was formed by a committee of Tennessee Polled Hereford Association (TPHA) members frustrated with discounts on quality cattle and looking for a better way to market Herefords.

One thing both of these progressive cattle producers will tell you is how much work it takes to start and maintain a feeder-calf sale. Both also have bragging rights to the success of their events.

Visiting with Krauss and Woolfolk, we’ve developed this checklist for starting and maintaining a successful Hereford feeder-calf sale.

## **Be committed**

Developing a feeder-calf sale is more than just picking a date and finding producers to consign cattle. Woolfolk and Krauss agree it takes time, money and commitment to establish a successful sale.

Williams says that the strength of a sale is like a chain. It is as strong as its weakest link. Multiple factors come together to make a



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sale — cattle, buyers, marketing and hard work. Both Kansas and Tennessee put in many hours securing cattle and buyers among other logistical details.

Krauss says it took three to four years for the Kansas sale to run itself. “It takes time, finances and work,” he says.

### ✓ Find a good marketing partner

Our two example sales took different approaches to finding a marketing partner, and both have found success. Tennessee found a productive relationship with Tennessee Livestock Producers Inc. (TLP), the livestock marketing service of the Tennessee Farm Bureau, but they struggled prior to finding TLP.

“First attempts were unsuccessful, because we lacked the bonded marketing agent that was willing to help us,” Woolfolk says. “Finding Tennessee Livestock Producers was the key to the future success of the program.”

Back in Kansas, the sale is held at the Manhattan Commission Co., a weekly auction facility in Manhattan. Krauss gives the owners, Mervin Sexton and John Cline, praise for being a progressive partner and recognizing the potential the sale could bring to their business. Krauss says, “It’s a two-way street with mutual benefits.”

Kansas chose the Manhattan sale barn because of its experience in working with specialty sales and with Hereford cattle. Sexton and Cline assisted the Kansas sale in promotion of the event, securing buyers and additional merchandising opportunities.

Your marketing representatives are not the only people who need to spread the word about the sale. Woolfolk suggests encouraging your area breeders to promote the sale as an outlet for calves produced by commercial cattlemen buying Hereford bulls for crossbreeding. Additionally, both states work with their state Hereford publications to spread the word.

### ✓ Find a location

The Kansas group chose Manhattan for a couple of reasons. First, there was a large population of purebred Hereford feeder calves in the Flint Hills, so they knew they wanted to host the sale in that area. Secondly they found their marketing partner in Manhattan.

“When seeking a location for the sale, look for a place that is Hereford friendly,” Williams says. “Due to the cattle population in an area, some sale venues have more experience with specific breeders.”

Sale barns are not the only locations for you to choose from when searching for a location. Your marketing partner may have a location best suited for you. Tennessee works with TLP’s shipping barns used for processing cattle sold in monthly video auctions.

### ✓ Find cattle with standards

Quality cattle with marketable attributes such as being weaned, on a successful health program and in good body condition make buyers easier to find.

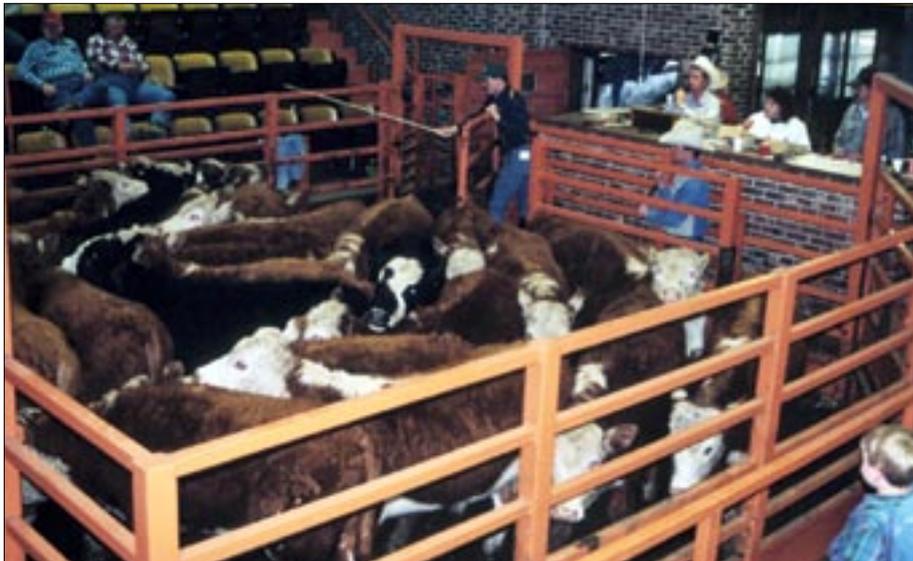
The first year in Kansas, the sale founders helped consignors wean calves and even went to each ranch to view the cattle ahead of time. This ensured the group that they knew the quality of the cattle and

represented them correctly to the buyers. Krauss advises other sale groups to be honest about the type of cattle offered. Misrepresenting will result in less repeat buyers. The process involves building trust between your sale’s consignors and the feedlots.

While Tennessee wanted to have a required health program for all calves in the sale, breeder resistance caused them to go with a recommended program for their first sale. Since that time, breeders have seen the value in having a good health program. To assist with this acceptance, Supreme Cattle Feeders from Kansas met recently with a large group of the Tennessee consignors to explain the importance of good health programs for repeat buyers, Woolfolk says.

Tennessee’s goal in 2006 is to have all consignors on a recognized health program with vaccines shipped directly to the farm from a central supplier. In addition, Woolfolk says they plan to enroll each consignor in a newly created Tennessee PVP in order to qualify all calves for export or domestic markets. Last year, the group tagged each calf with a visual and RFID tag with the Hereford Verified program. Tags were mailed to consignors prior to the sale. Woolfolk says it’s hard

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to know how much value the tags brought, but he believes they are more than worth it.

"All we know for sure is that we had the best sale ever, and I have to believe that EID tags and age and source affidavits from each consignor contributed to that end," Woolfolk adds.

Any documented historical feedlot and carcass performance information breeders can provide will be valuable to feeders, says Williams. He advises breeders to use the records already captured on the farm to add more value.

Cattle do not have to be limited to your immediate territory. The TPHA newsletter reaches beyond the Tennessee borders. Woolfolk says their sale has sold calves from six Southeastern states.

To assist breeders with transportation issues, Tennessee has created collection points for cattle. "In 2005, calves were loaded on semitrucks in North Carolina, Alabama and West Tennessee and trucked in for sorting, grading, weighing and selling," Woolfolk says. "This helped us reach our first goal of selling over 500 head per sale."

### **✓ Find buyers and know their needs**

What is the point of putting on a sale if you don't have buyers? This crucial step is overlooked with many groups in all different

types of industries. But, it's simple economics.

Your marketing partner can assist you with this task. For Tennessee, their marketing partner played a large role in rounding up buyers seeking the cattle they were offering.

"This is where Tennessee Livestock Producers was so instrumental in getting the program off the ground," Woolfolk says. "They have a list of order buyers that participate in their monthly video board sales, as well as local buyers that attend local markets."

Each buyer on TLP's list was contacted with information about the upcoming sale. The buyer list became very helpful in developing the buyer base. These lists can be sourced from many organizations. In Kansas, the group gained help from their marketing partner, the sale barn, as well as from AHA and CHB LLC.

Both Kansas and Tennessee have used the feedlot connections of AHA and CHB LLC to bring buyers to their feedlots. Each use HerfNet, a free online marketing tool for breeders to market calves to feeders daily. Woolfolk says CHB LLC has been supportive of the



program by finding buyers and giving advice on ways to improve the sale in order to meet the needs of the feeders and CHB.

Once you've secured a list of buyers, make time to contact each buyer. Krauss called 80 feedlots on his list the first year and asked them if they were interested. "Why or why not?" And the next question, which is so important, "What are you looking for?"

Give your buyers a reason to be there. Each feedlot is different. Some feeders handle unweaned calves very well, while others struggle with them. Do they prefer specific health programs? Simply switching your brand of vaccination can mean considerable value added to your calves.

### **✓ Court the buyers**

As with other industries, relationships strengthen our business.

Tennessee has used buyer incentives to attract both first-time and repeat buyers to the sale. Woolfolk says they have helped with travel expenses for some who traveled long distances to attend in person, and they hosted a buyer appreciation steak dinner following the sale.

"We want our buyers and runner-up bidders, as well, to know that we appreciate their time and confidence in our offering, and we want them back next year," Woolfolk says.

In the third year of the Kansas sale, breeders traveled with Williams to several feedlots. Krauss says this was very beneficial to step foot on the feedlot and meet with buyers face-to-face. The result was 10% of the buyers who had never come to the sale before did that year, Krauss remarks. He advises becoming a partner with the buyers. Find out what their problems are and show how you can fix them. Williams says visiting the feedlots shows the feeders that you want to be a partner and are willing to learn about their operation.

### **✓ Keep expectations in check**

Remember these two successful sales have several years behind them and continually grow each year.

Krauss says that he's seen groups disappointed because their first sale was not as successful as the Kansas sale. He advises that you commit to the checklist and learn what works best for your area and customers. Woolfolk says Tennessee has learned new best practices each year. Both groups work to make improvements to their sales.

This checklist will hopefully help you understand the basics of a feeder-calf sale. While each sale will be different depending upon the group's needs, the basic principles are required for all sales — time, finances and hard work.

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