

Marketing Insight

Top breeders from around the country give a peek into their marketing strategies.

by Sara Gugelmeyer

Marketing can be tricky. It is dependent on so many forces outside of a producer's control: weather and climate, the cattle market, and feed and fuel prices among others. That's why we asked a few of the industry's best marketers from across the country to shed some light onto this complex topic. Hopefully, this will help you determine what factors you should be considering when developing a marketing plan for your specific operation.

We asked each breeder the same questions and here are a few of their responses:

Q How do you choose the best way to market your cattle?

Tom Courtney,
Courtney Herefords,
Alzada, Mont.: We

are different than most people, because we don't really target the purebred trade. We pretty much target only commercial cattlemen. So when we market to them, we are trying to raise bulls that are going to do the simple things that make commercial cattlemen money and be sound and productive for them. So that's probably why we went with the Superior Production sale seven years ago, because that was a firm that was dealing with commercial cattlemen. And that's our focus. We just sell bulls to ranchers and Superior gives us a lot of exposure.



Bob and Jami Goble,
Ridgeview Farm, Alto, Mich.: Set your goal first; know where you want to be. Signify your target market. In

our case our target was set on the future — juniors. Our goal stays the same, but our market has shifted



toward more production-oriented cattle. Target markets must change if what the customer wants changes.



Colin Hoffman,
Hoffman Herefords, Leola,
S.D.: I market different

genders of livestock differently. I've been sending my steers to the sale barn and doing well selling with what other top cattle are selling. They may not necessarily top the market that day but sell with the rest of the cattle or at a premium. The reason I do that is I've had offers from people coming to the yard and wanting to buy off the yard, but I think to increase the popularity of Herefords we need to get the cattle out in front of people so they can see that there are decent bunches of Herefords out there.

One thing that has helped me sell with the rest is something I've been doing for a while, and I leave the out cattle at home. If you know something about a calf, maybe he's a chronic bloater or he's limping a little bit, just leave him at home. If the new buyer gets him home and finds out he has to doctor him, he probably won't buy again.

I have the steers that I sell looking good. No mud, no horns. Have your homework done. Have extensive shot records with the name brand listed, and I've gone as far as listing serial numbers of the vaccines I've used. I also list a current ration, what they've been fed and the day they were weaned. I leave that information with the sale barn, and the buyer has the opportunity to get it.

Work with the sale barn staff. If you have a small batch of calves, let the sale barn staff know that you are looking for a small bunch of calves at your weight to match up with your cattle. If you've only got

50 head of steers, then you would need about 25, just a small package, to fill out a load. So put an order in with the sale barn and let them know that you are planning to use their barn but that if a small group of cattle comes through that you'd like to buy them. Don't necessarily try to buy them real cheap; pay the going rate for them. If you can, sort a load lot for weight. Weigh them individually and sort them accordingly so you know what weight your calves are, and you can leave an order with the sale barn of what weight you need.

Consider holding on to your calves depending on the market. For instance, in the first part of January, the light cattle were just not bringing anything, no matter what breed they were. So you are better off to put some weight on them. If you don't have the equipment, maybe get them to the feedlot to get them to the weight that the market is wanting.

With bred heifers, I used to sell heifer calves, and then I was getting all kinds of calls for bred heifers in the fall. So I decided to keep all of my heifer calves and sell part of them as bred heifers. I've got something going where I have a market for them, where I am not asking top price for them, but a fair price. With most of my cattle that I sell privately, I can try for that grand slam price and get big money, but it seems like in the long run I'm best off to get a base hit double. That way, if the cattle don't work out and they haven't paid a huge, astronomical price, they'll be back.

Walt McKellar,
Grandview/CMR,
Senatobia and Como,
Miss.: I believe in the auction system.

It has proven itself. With inputs



and the costs of running these cattle now and everything else we've got in them, I think putting them out there for auction gives the customers the best opportunity to evaluate the cattle. It also gives the people selling them the best opportunity to get a top price for their cattle. So I think it's good for both the buyer and the seller. We use the auction system and sell some private treaty. As we move forward, our goal is to have three sales a year.

Most of our feeder calves are sold in load lots. We market them to people interested in Certified Hereford Beef or feeders that have contracts for straight-bred English cattle. All of these calves, of course, are backgrounded for at least 45 days, and they have been given all of their vaccinations according to the Fort Dodge Prime Protection Program.

We have also sold calves through the Tennessee Marketing Program. All of the marketing team and breeders who have developed this program need to be commended. They are doing an exceptional job servicing the feedlots and creating a better price for small and large producers in the area.

Matt Reynolds,
Reynolds Herefords,
Huntsville, Mo.: We have an open house silent auction. It minimizes sale costs. It allows us to offer our cattle in



lesser sale expense than a traditional auction. We don't have any ringman or auctioneer expenses. We don't have any expense of running the cattle through the sale ring. The way we do it with the silent auction, buyers know the least dollar they will be able to buy that lot for because we have a posted start bid price in the sale order. And they can basically see whom they're bidding against. It's a low-pressure type of sale. The customers like the low-pressure way of purchasing cattle. It doesn't happen really fast. They don't have to make quick decisions. They don't have two seconds to make a decision of whether to make the bid or the lot is going to be sold immediately.

And it gives us a chance to invite everybody over for a free lunch and look at our cattle. And, maybe, if we didn't have an event, they wouldn't get

to our place that year to see what we have to offer.

Joe and Cindy Van Newkirk, *Van Newkirk Herefords, Oshkosh, Neb.:* We



have our own live auction production sale. We've been selling 2-year-olds and select yearling bulls, and then this year we offered heifer calves because

we thought there was a demand for females. We chose this format, first of all, because we can deal with it in one day. It's difficult for us because we are a family operation. And to do private treaty would really tie us down; we need to be doing other things the rest of the year. So I suppose it's time constraints No. 1. And No. 2 is it allows the buyers to set the price. And we just don't feel it's fair to our customers to offer some bulls to one guy and not to another. With a sale, they all come in and look at all of our cattle.

Q How do you determine when to market your cattle?

Courtney: We used to market them in the spring, but it's just a busy time of year for people in the cow-calf business. So we try to take advantage of the slow time of year, which in the Northern Plains is late fall and early winter. They've got their own marketing done, they've finished the year, they know where they're at and what they need. It's also a time when they are able to get away.

Montie Soules, *Star Lake Cattle Ranch, Skiatook, Okla.:* The marketing plan is really the first thing you do. Then the cattle are born and your whole operation is worked around your marketing plan. So your marketing plan says this is the sale date.

For us we have a May sale and we have a fall sale. That means that cattle have to be born in January, February and March, and we have the May sale planned to offer a lot of 2-year-olds, which would be the thing that



I would most like to buy when I go someplace else. We have learned over the years that the older the calves are by that sale, the more the cattle bring. We've also learned that if we have heifer calves vs. bull calves, heifers bring more. So if the cow has a heifer calf and she's a 2-year-old, she's a really good 2-year-old and she has a nice udder, she becomes the prime candidate to be sold in the May sale as a pair. That's what we advertise. That's what we feature.

So the animals have to be bred so that they're calved at the right time, and then we sex semen as much as possible so we can have as many heifer calves as we can get. The whole product line is designed to fit the marketing plan. You don't make a marketing plan to fit your product line. You make the marketing plan; then you produce the animal to fit it.

Then, in the fall sales, we feature spring-born bull and heifer calves for show heifers and our ranch-ready bull program of 18-month-old bulls. Again those bulls have to have the ages to fit to be prime candidates that will look good in comparison. Those bulls would be picked from January, February and March calves, and once in a while, we get an April calf.

But those later bull calves usually don't look as good, so we don't want very many calves born in April and May. First of all, they don't fit the marketing plan. So calves that may be born a little later in the spring are younger heifers that have April calves because they just turned 2 in April and would sell as pairs in the fall because they are not ready to be sold when they have a month-old calf. Sometimes those cattle, because of their age, fit better to go onto the Internet because there's nothing else that fits with them. They are really good cattle, but they don't look the part or won't be the part to compare to the other ones because of age or other situations that appear.

So the cattle dictate to us where they fit in the marketing plan. Our fall embryo calf crop is raised to be sold in our May sale as weaned calves.

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We can sell only so many of them, so there is no need to have 100 fall calves; we only need 25 or 30 fall calves so we can find 10 nice heifer calves and four or five bull calves. And then the other bull calves can be sold private treaty as commercial bulls, and any other heifers would fall back into a replacement plan or could be sold on the Internet. It could be that the recipient may not have milked as much, so the calf just isn't ready to be sold. But she will be ready as a 2-year-old young mother to sell in May with an early calf because she is an older heifer that we can calve at 28 months; she fits in very easily. So the cattle dictate how they fit into the marketing plan.

Q What do you think makes your marketing strategy successful?

Charles Boyd, Sr.,
Boyd Beef Cattle, Mays Lick, Ky.: We've been in business for 100 years and we have a reputation for standing behind our product. We help new customers and anyone who has a question, or anyone who needs advice in any way we can. It's all about people.



We have learned in the past the commercial bull buyer is looking for three things and if you don't produce what they want they will go someplace else. They want low birthweight bulls because they are not going to pull calves. They want carcass information and milk. In my opinion the commercial man is probably 10 years ahead in thinking than the purebred breeder. They know what they want, you're not going to change their mind so don't try to sell them anything else. If you've got what they want, it's surprising what a commercial man will pay for a purebred bull. If you'll produce those three things for the commercial industry, those guys will come back, but if they get one that doesn't work out in one of these three categories they are going to go back to a black bull.

Courtney: I would just attribute it to taking care of business. It was always my dad's philosophy that a reputation is the hardest thing to get and the easiest thing to lose. We take care of our customers; we don't oversell our cattle. I think it's partly because we also focus on the target we're trying to hit, which is the commercial cattleman.

Glynn Debter, Debter Hereford Farm, Horton, Ala.: First of all, having a good product, I think that is No.



1 and No. 2 is standing behind your product.

If a customer is not happy and you know what the problem is, get it corrected and leave him happy so he

will continue to do business with you. I think those are the two most important things, and you've got to have both of them. You've got to treat people right and stand behind what you sell.

Goble: We offer great customer service as well as great cattle. We pride ourselves on being sure our customers are always happy. We have an open invitation policy: people are welcome at all times. They are always welcome to call with questions or concerns. If our customer is not happy, we do everything we can to make that person happy.

To some extent we feel we are not so much marketing our cattle but ourselves. There are many farms and ranches that have good cattle. We have good cattle. We pride ourselves in being a great seller, meaning people want to buy from us. We only tell the truth; if we do not feel an animal will work for someone or in his area, we let him know that. We want our customers to be happy, and we do everything we can to make them happy and keep them happy.

McKellar: I think in marketing you have to stand on what your program has accomplished and what direction it is going, but most of all, the service you give to your customers.

My grandfather, M.P. "Hot" Moore, was definitely a marketing genius. A lot of what I've heard about him came from influencers like Johnny Winston, the late Jewett Fulkerson and my father. Some of the same practices that

made CMR, or any great program, a successful marketer still apply today. We must know and promote where our cattle excel not only within our breed but throughout the cattle industry. I believe one of my grandfather's great successes was finding or prospecting new customers throughout the agriculture community. He put many row crop farmers throughout the Southeast into the polled Hereford business. I think as Grandview/CMR goes forward, one of our main directions will be finding new blood and servicing these new breeders.

Soules: We work hard at it. I don't think there are any great secrets; you just work hard at it. Farmers, producers, agricultural people in general are production oriented, and I think probably every other business you get into becomes marketing oriented where you produce for the market. We, as a group of agribusiness men, get more production oriented instead of marketing oriented. We produce the product for the market, not try to produce the product and then find a market.

Q What type of advertising do you use and how do you determine if it's working?

Boyd: For our female sale we put the catalog in the *Hereford World* to reach both horned and polled breeders. We advertise in the state magazines that are in our area. Then for the bull sale, it's a whole different ballgame because we are targeting commercial producers. So we advertise in the cattle association paper in our states and all the states surrounding plus the *Angus Journal* and *Hereford World*.

Debter: Coca Cola people used to say only 10% of their advertising is effective but they don't know where that 10% is. I guess we're the same way. We advertise in *Hereford World*, we advertise in all the cattle magazines, not only in Alabama but in the surrounding states. And we think that is the way to reach some new customers each year. The *Hereford World* and state livestock publication are really important, we think. Evidently the

advertising is working because we get a good crowd of people here and get all of our bulls sold and get them sold pretty well. And of course, a lot of our sales are due to our customers telling other customers, too. I think that is something that is very important, and to keep that going, you've got to keep those customers happy, if they're going to recommend one of their neighbors to buy a bull from you.

Hoffman: I've been advertising locally for my bull market. I've got a Web site, and I've got information on there about my cattle. There is a weekly classified section in my paper and that paper reaches everybody and it's well read. I try to target my local market through that publication. I've been getting a lot of advertising in the way of customer referrals. I've had several cases where a neighbor helps a neighbor work their cattle and they wonder where they got their bulls, because they like the calves. And then once I hear of a referral like that, I will call that customer who referred them and thank them. And that sure goes a long way.

McKellar: Often I think people expect advertising to do too much. At Grandview/CMR, we believe the ads we run, word of mouth, the mailers or catalogs will intrigue customers, whether they are old or new, to want to find out more about these individuals and our program. We want contact with these people!

Secondly, I think people want an honest approach to what we are wanting to sell. Also, we talk to our customers to find out where they want to go. We ask questions about feed, the climate, the grass so that we can tell them what animals we have to offer that will work in their individual plans. If we do these things, we feel that we can be a part of their being successful. Hopefully they will be repeat customers and be around for a long time.

Reynolds: We have built our own mailing list over the years, and we focus a lot on direct mailings to our customers. We also use the *Hereford World*, which allows us to have a field representative with us on sale day. From there we use a lot of classified

ads in small rural shopper-type papers. Word of mouth is the best. We don't advertise very much. Our *Hereford World* expense is our main expense, but that allows me a little help. Joe helps me watch for bids and do telephone work and things like that. The repeat customers that we have help our sale averages increase gradually each year. Our customers tell us they like the way we do it. They like the concept of the silent auction. They feel very comfortable with it.

Van Newkirk: We try to really do a mix, a little bit of everything. We do some direct mail, we do some radio, we do publications and a little bit of Internet. And what works one year, doesn't work the next year. We've had customers show up that have been following our sales and our advertising for 10 years and have never even asked for a catalog but will just show up and buy. But they've been watching us, and usually the No. 1 question is how many sales we've had and how long we've been in business because they want to make sure that we're reputable. Most of the time, most of ours come from satisfied customers telling them to come buy from us.

Q What are some customer service tips you've learned?

Debter: To stay in close contact with them, it's good to talk to them during the year. I think just staying in close contact is really important. And making sure they're happy with what they got. Talk to them about their calf crop. And if you can, help in merchandising their calves. Also, we take some of our customers' commercial heifers and put them in our sale and sell them for those customers. And that's a service that really works well. It helps them get their heifers sold for a premium, and at the same time, it helps keep us closely tied to them. The commercial people really like that, because they get more for their heifers than their steers by selling them here. We have a neighbor that is in the Angus business, and two years ago we let him put some of his bulls in our sale. And that has really complemented our sale. It has really helped our attendance and a

lot of people that buy Angus bulls buy Hereford bulls too. So we have done that the last two years, and we will continue to do that. It sure helps on our advertising cost too.

Hoffman: I've got quite a few longtime customers. So it's just maintaining a friendship with them and touching base with them every now and then. Giving a little breeding advice, like what they would want to use on daughters of a certain bull they bought or what mating works well in my program. They want to know what they should do with an animal they bought. I've helped customers with some feeding or nutrition questions or referred them to a nutritionist if they really need help. Just kind of tell them what works in my program if they ask. You don't want to sell them something they don't need. And they've got to be able to make money too.

McKellar: I just think they want an honest approach to what you're trying to tell them. I think a lot of times we try to make everything sound too good and sometimes that's wonderful on the front end, but I think you need to be honest with what are the positives of the bull or cow, where she's going to excel and where the things are you need to watch. And I think sometimes in the breed we're all about selling and we try to tell everyone we sell a unique animal and that's not necessarily true. We've got to look at EPDs (expected progeny differences) and look at what we know as producers about what these cattle are going to do. And talk to our customers and find out how their programs are, what's their grass, what feeding programs do they have and try to sell them animals and see what the animals are going to do, because if the cattle don't work for those customers, then you're not going to get any repeat buyers. And I think in our business right now probably repeat buyers and people you're working with just through their word of mouth and how they're treated probably bring us as much business as any advertising we could do. **HW**