

# Colorblind Value

**Buyers and sellers capture more opportunity through Hereford and Hereford-influenced feeder calf sales.**

by *Katie Maupin Miller*

**S**elling red cattle at auction can be a frustrating experience; buyers commonly pay more for black and black baldy cattle of equal quality. Some of it has to do with the volume of black cattle in the marketplace, which can make it easier for buyers to assemble loads.

However, the discount for non-black cattle also has to do with buyers equating black with Angus, believing a higher percentage of them will grade USDA Choice or higher and qualify for premiums associated with Angus-based branded beef programs. Even if they don't believe that, they know packers often favor black-hided cattle, due to those perceptions. These days, of course, plenty of black cattle are devoid of Angus, and plenty of red cattle achieve the highest quality grades.

This marketplace reality is part of the impetus behind a growing number of successful Hereford and Hereford-influenced feeder calf sales.

While there are regional differences among the long-running Hereford-influence feeder calf sales in the U.S., their success also has many similarities.

Such sales highlight breed strengths — efficiency, docility and vigor — in a way that attracts cattle buyers and feedlot owners, regardless of the offering's color. By gathering large groups of cattle and backing the lots with preconditioning and health protocols, state sale organizers create unique opportunities for buyers to purchase load lots of healthy, genetically similar cattle ready for the feed yard or backgrounder. Marketing Hereford feeder calves in this manner removes the color discount and shifts focus to the enhanced value of the cattle.

## **Strength in numbers**

Order buyers typically pay more for cattle they can assemble as loads of same-sex, same-class, similar-weight cattle to deliver to their customers, and Hereford-influenced feeder calf sales provide that opportunity.

It takes at least 500 head to start putting together load lots, according to Richard Brown of United Producers, Inc., who helps coordinate the Tennessee Hereford Marketing Program (THMP). In Tennessee, most consignors bring 20 head or fewer to the

Hereford-influenced sale, so attracting enough consignors to create load lots is imperative.

John Woolfolk, a Hereford breeder from Jackson, Tenn., explains the THMP was borne from frustration with the black-hided bias and searching for a solution. He recalls visiting with peers more than 20 years ago. "The local Farm Bureau had an alliance program. So, we thought, why can't we do that — similar genetics, similar health protocols, similar sizes in large lots."

Like Tennessee, many of these special feeder calf sales comingle cattle into similar-weight load lots. So, even small producers can reap load-lot premiums. It also enables buyers to purchase a load of uniform 8-weights, as an example, rather than scraping together loads a few calves at a time. The added numbers also help stockyards ensure the load lots are top-notch.

Brent Lowderman, a Hereford breeder from Macomb, Ill., hosts the Greater Midwest Certified Hereford Feeder Calf Sale at his auction barn, Carthage Livestock, Inc. It started about 15 years ago with just over 500 head, and within the last few years, they've marketed between 1,500 to 2,000 head from 70 consignors in each sale. Before developing the sales, even in his own barn, he explains, Hereford calves used to be discounted as much as \$25 per hundredweight (cwt.).

"Since we have the numbers to do it now, I've narrowed our sort to 50-pound increments," Lowderman says. "We also take out all the odd cattle — horns, cattle not healed up after castration, etc. They have to be right when they land at the yards."

The Mitchell Livestock Hereford Influenced Special is the country's largest Hereford-influenced feeder calf sale. Last year, they sold 4,500 head in Mitchell, S.D. Sale founder Harley Zens explains more than 40 consignors bring anywhere from 10 to 150 head each. Consignors in the Mitchell Livestock Hereford Influenced Special represent their own cattle, and folks with smaller lots can easily combine them with others.

"Hereford cattle are not selling for a discount to buyers. By having a large group of cattle sell, they bring a premium price," son Matt Zens says. "This is a great deal for the area seedstock guys, as their commercial customers have an outlet for their baldy calves to bring a premium."



Kentucky Hereford producer and supporter of the Kentucky Certified Hereford Influence Sale Tim Wolf summed it up best: “Numbers are everything in this whole deal.”

### Quality — not just quantity

Numbers are fruitless without quality, and these special sales constantly balance quality and quantity.

“The quality thing right now is probably the biggest hurdle for us to get over,” says Wolf, who has struggled with colored trader cattle trying to come through the sale. “Set a protocol in place to help the quality of your cattle. We want numbers, but we want you to follow these guidelines that we set.”

Sale organizers agree that truly Hereford-influenced cattle are high-quality and improving.

“Our buyers have been absolutely impressed with the quality,” Lowderman says. “The last four to five years, I would put these Hereford steers up against these black steers every day of the week. The quality just keeps improving.”

Brown sees many feeder cattle through his role with United, but the docility and progressive genetics backing the THMP cattle set them apart. Woolfolk echoes Brown’s sentiment, noting in more than two decades, there has only been one complaint about the quality of the stock.

“Everybody we have ever talked to has been very complimentary of them,” Woolfolk says. “We’ve been very fortunate that we’ve had a good set of cattle all the way through.”

Like seedstock sellers guarantee bulls, feeder calf sale consignors need to provide quality cattle they’d stand behind. Quality drives repeat buyers.

“The buyers know the cattle will be top-notch. The sale would not have continued success without the high-quality cattle,” Harley Zens says.

### Health conscious

Even the highest quality cattle struggle for bids if buyers lack confidence in the cattle’s health. Typically, buyers will pay more for less health risk — if it’s verified — and vice versa. Hereford-influenced feeder calf sales, which comingle cattle to create load lots, emphasize preconditioning and vaccination protocols to ensure customer satisfaction.

“The key to it all is that you have to get the cattle weaned right and vaccinated right,” Lowderman says. His Greater Midwest Certified Hereford Feeder Calf Sale, along with the Kentucky Certified Hereford Influence Sale and the THMP, all require their consignors to follow a weaning, preconditioning and health protocol.

Wolf says Bluegrass Stockyards South, in Stanford, Ky., knew what its buyers would want and what protocols would make it more appealing for them to purchase cattle from the Kentucky Certified Hereford Influence Sale. Health protocols were high on the list.

Like most feeder calf sales weaning, preconditioning and vaccinating cattle add value on sale day.

“You can do a little extra to them and precondition them, and you get top dollar for them,” says long-time Tennessee Hereford Marketing Program consignor Gary Preston. “It is the best way to sell the calves, in my opinion.”

### Committed consignors and coordinators

Extra protocols do mean additional commitment from consignors, all consignors. One lax producer who says the calves were properly vaccinated when they were not could compromise the health of a comingled load lot — not to mention breed distrust among loyal buyers.

“It is a commitment,” Brown emphasizes. “It is a commitment to the group. Once it starts fraying away at the edges, it starts falling apart. It is all commitment. It won’t benefit you, and it won’t benefit the group to cut corners.”

Outside of consignor follow-through, Hereford-influence sale coordinators have to be steadfast as well. Organizing such sales is a considerable undertaking; from setting health protocols, distributing sale tags, rousing consignors and buyers, helping with trucking or dealing with customer concerns, sale coordinators need to stand by their consignors and cattle to see long-term success.

“It is a huge group effort to make one of these things a success. It takes a huge effort and a huge group of people to make one of these things happen,” Wolf says.

### Start selling

With a colossal undertaking comes big opportunity, so if your state or region would like to organize your own Hereford-influenced feeder calf sale to bolster breed demand in your area, these long-time organizers offer their advice.

“The first thing they have to have is a sale barn that is willing to work with Hereford cattle,” Woolfolk says, noting some barns still hold dated views of the breed. “If you don’t have a barn that supports you and wants to sell Hereford cattle, it just won’t work ... Then you have to have some state leadership and the breeders to put it together.”

Wolf also stresses the importance of working closely with a stockyard.

“It is very important to have someone who understands how the stockyards work and real-world cattle,” he says. Wolf admits, with his showring and seedstock background, participating in the Kentucky

Certified Hereford Influence Sale has been an eye-opening experience. “You can kind of get a little blinded to what real cattle are — it amazes me the difference between what the stockyards and the showring want.”

The Zens family also worked with their sale barn to organize the Mitchell Livestock Hereford Influenced Special.

“It was a regular feeder calf sale day for them; we have just added lots of white faces over the years,” Harley Zens says. “Talk to the sale barn and see if you can get enough consignors together.”

### Better for the breed

In many states, these Hereford-centric sale offerings have been so successful that they’ve bolstered the Hereford bull market among commercial cattlemen and women.

“There is a definite increase in the interest (for Hereford seedstock),”

Woolfolk says, noting one bull buyer plans on sending his calves through the THMP after seeing the sale premiums.

The Mitchell Livestock Hereford Influenced Special is also known for selling Hereford and Hereford-influenced females on the third Thursday in February. Initially, the female side of the offering garnered the most buyers — proving such sales also pique the interest of area cow-calf producers.

“There is a lot of interest in purchasing Hereford cattle,” Harley Zens says. “They offer many attributes to cattlemen across the spectrum. The steer calves sell so well because of their efficiency in the feedlot. The Hereford-influenced females are the queen of the cow herd and always offer so much value to the heifer buyers with their longevity and excellent maternal traits. They are money makers.”

### Added value

Perhaps most importantly, these Hereford-influenced feeder calf sales have proven Hereford cattle are not only worth as much as black steers; often, they’re worth even more.

“Each year, we compare our prices with the same weights sold throughout the state. Not only have we eliminated the discount, but we’ve added a premium as much as \$100 a head,” Woolfolk says.

Wolf notes past American Hereford Association field representative John Meents once told him associations needed to give members a reason to be a member. To Wolf, it’s the value the Kentucky Certified Hereford Influence Sale brings to breeders in the bluegrass.

“Every sale, our consignors are just overjoyed with the price and value we brought them,” he says. “You can load five steers and take them to Bluegrass Stockyards in Lexington, or if you wait three weeks and take them to Bluegrass Stockyards South, you gain 15-30 cents on these cattle.”

Harley Zens notes that while the sales add value to the Hereford-influenced cattle, those cattle add value to the buyers’ operations, such as better rate-of-gain and efficiency in the feed yards.

“We used to take discounts, and now we get premiums,” Preston says. **HW**

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