



## Progressive Pooling

**Forming alliances and marketing cattle as one entity opens up valuable marketing options.**

*By Kim Holt  
Photo courtesy NCBA*

As the saying goes, there is strength in numbers, and this certainly applies to calf pools, alliances that offer marketing options, and opportunities for cattle operations that are most often small to medium in size or even geographically challenged.

“Calf pools are definitely an attractive option that can benefit anybody not selling a semi-load of cattle,” believes Jim Keyes, Extension livestock specialist for Utah State University. “Even producers selling mixed loads should think about pools,” he believes.

Keyes, who coordinates the San Juan County Calf Pool five hours southeast of Salt Lake City near the four-state border, says that cattle operators in his county increase marketing options for their product by combining numbers of like and kind quality calves with similar management and health protocols.

The group draws new ranchers annually and, each year since its organization five years ago, has seen a price increase and a \$7-20 per hundred weight premium over the average of similar weight cattle marketed through the nearest auction barn. Keyes says this marketing program is also a chance to help producers improve everything from genetics to management. “It is very much an educational tool, and is one of the reasons I got it started.” He reports that after the first year, pool members discovered firsthand what the quality of their calves needed to be, and it’s been coming together from there.

The Pennsylvania Feeder Calf Pool, began in 1995, also offers smaller producers the benefits of selling as part of a larger group of calves that have been produced with similar management and health programs.

Prices received for cattle is the number one reason why producers participate in this program which, in its history, has often averaged \$20 per hundred weight above local market prices.

Dennis Metzger, general manager of Western Video Market, Cottonwood, Calif., points out that producers can experience more success when they sell higher volumes of cattle in one setting. He says, “The beauty of a calf pool is it allows operations that don’t have enough calves to make full loads and can forward contract those cattle in a competitive bidding system.”

Lot sizes are also usually very uniform in weight. “There’s a buyer’s advantage too because, typically, if there is some volume and enough numbers to work with, they’re (buyer) going to get a fairly uniform load of cattle when it’s all said and done,” Metzger points out.

Feeders typically trade cattle in minimum of one load (50,000

pounds) lots. However, nearly two-thirds of U.S. cow-calf producers do not have enough weaned steers to market them as a truck-load lot. Aligning to create uniform lots by weight and sex can increase the price buyers are willing to pay for cattle.

A Utah State University study found, based on interviews with cattle buyers, that feedlot operators prefer cattle lots large enough to fill at least one pen, typically between 100 to 250 head depending on feedlot size. Such transactions are simpler, and reduced mixing decreases the risk of disease spread among cattle.

Metzger says there are



George, left, and brother Henry Kempfer, Kempfer Cattle Co., decrease their risk associated with feeder calf marketing by pooling similar known genetics, health and management protocols, and age and source verifying cattle, creating the nine member Florida Heritage Beef marketing group.

more calf pools in the eastern states versus the western, but that doesn't mean there isn't potential for more, especially given the fact that the average size cow herd in the United States is less than 40 head. He notes that one western calf pool of about 8-10 members sells cattle in three or four different weight divisions through Western Video. They've gotten along "remarkably well," he says, selling to the same buyers about every year. "If the same guy has bought them, that's usually pretty good proof the cattle are working."

### **Making Calf Pools Work**

Calf pools do offer opportunities, but also present some challenges to work through. "It takes a pretty good ring leader to get everything coordinated," Metzger points out. Getting the first one off the ground is the challenging part, he says, and may take some educating to get everyone on the same page. Another challenge is getting everyone to accept the market pool price for their cattle. But, "once you get the groundwork laid and through the first year or two, then it's fairly easy," he says

For example, Jim Church, Extension livestock educator with the University of Idaho, helped the Clearwater Valley Beef Alliance (CVBA) take shape in the late 1990s. Its goal was to competitively market load lots of feeder calves from this isolated central Idaho location. Church says, "We decided if we could have a uniform lot in a load size, it would instantly bring them a little more. Plus, if it could expose them to a wider audience of buyers, it would help them, too."

The CVBA producer-members agreed to vaccinate their calves identically, wean about the same day, try to use similar genetics and follow the same calving season. They formed a legal partnership with a single treasury to handle finances.

Over the years, this group has stuck to its original format and, today, three ranches market two truckloads of steer calves to repeat buyers, a market they built beyond the sale barn. Church believes that uniformity of cattle is definitely important, as is working with producers who have similar programs.

"If calves are uniform in type, breed makeup, size and age and actual flesh, those things for sure will help them." He adds, "If you really want to be strict, then you require almost identical genetics."

To make calf pools like the CVBA successful, Church says that members must be willing to meet regularly and also game to lose some of their own identity in order to market with a group. Furthermore, they need to be committed, flexible and willing to do what's right for the good of the group.

"Probably the biggest factor that will be needed in order to have a lot of success is that you find people you want to work with and are trustworthy. I think that's number one, having the right people. That's

### **Charolais: A Feature of FHB Crossbreds**

Five of Florida Heritage Beef's nine members use Charolais as a terminal cross, including the Kempfer family. Henry Kempfer of Kempfer Cattle Co., a ranch that has been in business since 1895, explains, "The cows we're breeding the Charolais to are basically Angus or Shorthorn-sired, and 3/8th Brahman, and the calves will have about 3/16th ear on them."

For some 14 years, this family has brought Charolais bulls, bred by Lindseth Charolais Ranch, down from Montana at about 18 months of age. Kempfer discovered Ray Lindseth's operation through an ad in *The Cattleman's Source*. It was the photo that caught his eye.

"What sold me first were the body types because they were moderate, big-fronted bulls that we were looking for." He adds, "Everybody who uses Charolais bulls in our group has some of his."

As for this breed in their Florida environment, Kempfer remarks, "We love the Charolais in crossbreeding and the yield we get out of them. It's a great kick when we cross them back on these Angus-cross cows. We get a big genetic boost on the calves."

He adds that all use this breed as a terminal cross, with one FHB member successfully crossing Charolais back onto Beefmaster-cross cows. Kempfer assures, "These Florida calves can compete with western calves, especially these Charolais crosses." In fact, in the early 2000s, when Kempfer's family fed cattle near Vega, Texas, they had Charolais-cross heifers place in the top three or four years in the Fed Beef Challenge sponsored by the Texas Cattle Feeders Association. A first place pen placed over both steers and heifers, and was also the champion carcass.

kind of like the way it is in everything, isn't it?"

He adds, "The neat thing about some of this marketing is it allows people to work together for the common good. I think in this industry we're going to have to do some of that."

### **Relationships Built on Trust**

Further south, in Florida, a group of nine members are doing just that and have aligned to form Florida Heritage Beef LLC (FHB). This group is an organization of cow-calf producers who have built a solid reputation for quality Florida beef cattle and business ethics.

One of eight founding FHB members, Billy,

George and Henry Kempfer of Kempfer Cattle Co., Deer Park, used to market their feeder calves with neighbor Alan Kelley, the manager of the neighboring family-owned Kenansville Cattle Co.

Between the two ranches, they successfully marketed about 20 loads of calves for six years through a spring conference call. But their long term goal was to offer even more cattle from a select group in order to open up more markets, thus the origin of FHB in 2010.

According to Henry Kempfer, FHB sends out pretty close to 200 loads of feeder calves a year. This year, it amounted to 18,000 head of uniform, individually identified, age- and source-verified steer and heifer calves all produced under BQA guidelines by utilizing a unified herd health program and known genetics.

"We found that by adding numbers it made it so much more attractive," Kempfer relays. The cattle were privately secured by a large cattle feeding operation destined for Texas Panhandle and Oklahoma feedyards, all delivered within a 75-day window. Kempfer says that FHB sold cattle for two years by load lots before securing a contract with this customer who is in need of a constant supply of a quality product.

He says, "We don't try to convince people that we have the best cattle; we just want the buyers to know that we are going to honestly represent what we have. There will be no surprises." The fact that no cattle were turned back this past year underscores this group's honesty and ethics, but one that plans to grow slowly, too.

"We have a neat group," Kempfer says. "We all get along and can learn from each other. We don't want to get the group too big." Kempfer says that integrity is a factor that this group feels very strongly about.

"We've all been in the business a long time. We've dealt directly with feedlots because we've done a lot of retained ownership and understand the importance of that relationship and trust factor. We want them to know that what they're getting is a good product that's going to be predictable."

Here's what Kempfer attributes to part of this group's success:

- A willingness to not be afraid of change. “If something doesn’t work, we fix it.”
- They meet once a month “religiously,” and have been doing so for several years. They have an operating agreement and a long range business plan.
- They have roundtable discussions regularly and learn from each other. “It’s a very humble crowd. They’re not too proud to admit they’ve made a mistake—none of us are.”
- Trust—“It goes back to honesty and integrity and we want to pride ourselves with that more so than we do the quality of our cattle. Yes, we do take a lot of pride in our cattle and think they’re good, but realize there’s room for improvement.”

These are tips Kempfer offers to others looking to start marketing alliances, such as calf pools:

- Surround yourself with people who are like business-minded. “Know who you are going into the deal with up front.”
- Don’t get your group too big from the start, because you’ll get too many different opinions on what direction to go.
- Set a common goal very early in the meeting stages.
- Patience—don’t try to move too fast.

- Consider setting a BQA requirement. Each FHB member-ranch’s cow crew must be BQA certified. In fact, two of the nine FHB members, including the Kempfer family, are national BQA award winners.
- Go into business with people who know what they’re cattle will do. This was a criterion for FHB. Members had to have fed their cattle before, either through retained ownership or on their own, so they’d know how their cattle perform.

Kempfer says criteria like this shouldn’t discourage producers who may not have this type of information. “I think there are a lot of opportunities for people who don’t have that base.” He says this was a key point for FHB members, because they wanted to show that they, like others within Florida, are working hard to help their state overcome its feeder calf reputation hurdle. “It’s amazing the breeders down here who are really trying to improve their herds,” he says.

The founding members for Florida Heritage Beef are Ru-Mar, Inc., Walpole Land and Cattle Co., Kempfer Cattle Co., Kenansville Cattle Co., Russell Cattle Management, LLC, Williamson Cattle Co., Lykes Bros. Inc., and Buck Island Ranch. Visit [www.FloridaHeritageBeef.com](http://www.FloridaHeritageBeef.com) for more information.