



# Customer Service

Angus breeders build relationships with feeder-calf sales for bull customers.

Story & photos by **Boyd Kidwell**

**W**hen selling seedstock, customer service is the name of the game. Dave Nichols of Nichols Farms, Bridgewater, Iowa, has found that a good way of selling bulls in a tough market is to help commercial cattlemen sell their feeder calves for the highest possible prices.

“When we started the Nichols’ genetics source-verified feeder-calf sales, there



weren’t many source-verified sales, and none with a genetic component,” Nichols says. “The feeder-calf sales are a significant cost to us, but they help keep our customers in business, and that’s our number one priority.”

Paul Price of Goldston, N.C., has been a bull customer of Nichols Farms since 1998. Price started buying Nichols’ bulls because of the high-quality Angus genetics, but more importantly because of their feeder-calf marketing program. Price presently manages eight Nichols bulls with 300 crossbred cows at Tarheel Farm in central North Carolina.

“What got us involved with buying bulls from Nichols Farms was the feeder-calf marketing program for their customers. We’ve been preconditioning and vaccinating calves for many years, but we weren’t rewarded when we sold the calves at a sale barn. Now we see premiums of 10¢ to 20¢ per pound through the Nichols’ feeder-calf

► **Left:** Paul Price found a reward for preconditioning by selling calves in sales sponsored by his seedstock source.

sales, and we’re pleased with the performance of the bulls,” Price says. “We’re looking for easy-birthing, high weaning weights and good carcass scores. We’ve seen that with Nichols’ bulls.”

Nichols hosted his first feeder-calf sale for customers at the Creston Livestock Auction in southwest Iowa 12 years ago. In recent years, four Nichols Farms seedstock franchises have been established in Illinois, Missouri, North Carolina and Wisconsin. These cooperating seedstock producers also host Nichols Genetic Source Feeder Auctions for their bull customers.

More than 40,000 calves sired by Nichols-bred bulls have been marketed in these sales since 1996. Nichols estimates the calves sold in the genetic source-verified sales have earned premiums of \$3 to \$8 per hundredweight (cwt.).

Price is convinced that his preconditioned and source-verified calves have earned a premium of \$10 per cwt. compared to what they would have sold for at a local sale barn. Preconditioning and vaccinations to prevent respiratory diseases are advantages for cattle sold in Southeastern sales because the animals are usually trucked thousands of miles to feedlots in the Midwest or Southwest. In addition to preconditioning, the calves are source-verified and equipped with electronic identification (EID) tags for traceability. Since 2006, the cattle marketed in Nichols Farms sales have also been tested for the presence of persistent infection with bovine viral diarrhea (PI-BVD).

Lans Gibbs of Greenfield, Iowa, has been both a buyer and a seller at the sales.

“The Nichols sales are a good place to market calves because buyers know what they’re getting when they pay for health and genetics,” Gibbs says. “I’ve also bought heifers at the sales to develop for our bred heifer program, and they’ve worked well.”

In 2009 Price will participate in a new twist to the sales. The Carolina cattleman has prepared a truckload of calves to meet the requirements for the Nichols Genetic Source Feeder Auctions. The calves were video-recorded at Price’s farm, and the video will be shown at a sale and on the Internet. The calves will be sold without leaving the farm, and a truck will be sent to pick the animals up for the buyer.

Despite the success of the sales, Nichols points out that he and his franchise partners don’t make money from the program. However, the feeder-calf sales are valuable marketing tools to help sell 600 to 800 bulls each year, mostly to commercial cattlemen.



► Price's feeder calves capture top prices in North Carolina on sale day.

"Even people who retain ownership in the feedlot buy Nichols' bulls because they know we genuinely care about our customers and have confidence in the way our cattle perform in the feedlot and on the rail," Nichols says.

### **Customer service strengthens relationships**

Galen Fink of Randolph, Kan., has arranged Fink-influence feeder-calf sales for the past 13 years. Fink's annual sale takes place at the Manhattan (Kansas) Commission Co. and attracts 600-1,200 head of calves from a dozen Fink Beef Genetics customers.

"Our annual feeder-calf sale helps us maintain a positive image that shows we've helped our customers since 1995," says the Kansas Angus breeder.

Requirements for the Fink-influence sale are simple. Participants are required to vaccinate calves to prevent respiratory diseases, and 50% of the calves must be sired by Fink Genetics bulls. If the cattle are preconditioned or have feedlot data from the owners, Fink sees to it the information is

presented to buyers before the sale.

"When we started this sale, the idea of vaccinating calves to protect them from respiratory diseases was relatively new, but we feel like it's still important for the health of the animals and for the satisfaction of buyers," Fink says. "Otherwise, we want to be flexible. I don't want to dictate what our customers do with their cattle."

While organizing the feeder-calf sales takes a lot of time, there isn't a great deal of cost involved, Fink maintains. By using the Internet and fax machines, Fink contacts a list of potential buyers and provides information about the cattle expected at the feeder-calf sale. The producers pay the regular sales commission to Manhattan Commission Co. and Fink receives no payment for his involvement.

"The sale is a small part of what we do to help our bull buyers market calves. We also help our customers sell calves by private treaty during the year. Holding a feeder-calf sale for this many years demonstrates our commitment to helping customers," Fink says.

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► Supplying good genetics and adding profitability to the resulting calves can attract loyal customers.