

2. Cow-calf Industry, Don Lawrence, Nacogdoches, Texas

I want to tell you first an experience about the cow-calf business. It best represents what I have gone through in trying to raise steers and other cattle important to the beef industry. I was raised up around an outfit that produced a large number of cattle and they used Hereford bulls to get color and uniformity and shipped all these cattle on forward contract. In the 60's I started in the business and naturally it worked for them so I thought it would work for me. I did a real good job using Hereford bulls on crossbred cattle adapted to our country. It is very important that you have cattle that are adapted and will do well in your particular environment. By 1973 and 1974 I had about 2000 cows which no man ought to be burdened with and \$600 cows went to \$250. The bankers came in and wanted to talk to me about this big operation that I had. If you have ever had a couple of young bankers on you, you know what I'm talking about. I had just about all I could handle trying to run an operation that's in the red to start with. So in 1974, we started selling cows (approximately 200-300 a year) trying to appease the bankers. I don't know whether that's a nice way of saying we're going to liquidate you, or just what they had in mind. In 1975 it wasn't getting any better as you well know and I had my back to the wall, I made some rash decisions. I had to turn something around. Every cow walking on my place had to have a calf by side and all those calves walking by their mamas' had to be cattle that would wean heavier than the 380-400 pound calves that Jerry was talking about. I started using crossbred bulls on those cows and got my program stabilized.

1976 and 1977 came along, I had liquidated my herd down and met with the bankers once a month discussing every thing imaginable about producing beef to satisfy them and to try to hold this operation together. You know it would have been real easy just to throw your hands up and say, "I quit, we'll liquidate the other 1200 cows that we have and take what little nest egg that we have got left and go home." There was just too much German blood in me to do that. So I kept fighting. The bankers decided it wasn't getting any better, about February, 1978 we had our 14th meeting.

I had them all counted, 14 months in a row, with the same two young bankers from a credit bank in Houston making this trip once a month. We quit counting cows once a year and we started counting about every six months. In 1978 the market began to turn around and I, as every good cow man should, had my budget laid out, my projections laid out and I believed in them. I had whittled expenses to the bone, moved these cattle around on 1 to 5 acres which normally our country runs 1 to 3 or 1 to 4 if you are doing a fairly good job. I had sold my calves several years past to some feedlot people that they had done a good job for them and as early as February, I called them and got a contract

on the 1978 calves, went to my bankers and told them what I could do. There was no more guessing about the projections, there was no more guessing about my weaning weights. I sat down and convinced the bankers and I haven't seen them since. But in 1978 as you well know I sold those calves for .50/lb., \$75,000 to cheap. But I did salvage my cow herd. I had built in more fertility and gain-ability in my cattle than I had realized and in 1979 I had a surplus of over \$250,000 above my notes and interest in that calf crop. We need to take a very serious look at increasing our fertility and our cattle must gain. If we keep the fertility in the cattle, and remember a cow will not breed and will not do well if she is not a good gainer, and must do it on forage, the steers and the heifers out of her are going to do well where ever they go, whether it's the feedlot or back in the replacement herd.

We drive right up to 1980 and 1981 and you know this thing has dipped somewhat. I am still running in the black with those major contributing traits in the cattle and I'm running with \$230,000 less income from my calf crop than I did in 1979. I'm giving you this testimony and tell you one thing. Let's don't lose sight by trying to have the biggest or tallest steer and run off and leave fertility, gain, feed efficiency, and the adaptability of these cattle to the country. The cattle must adapt. We have become cattlemen that must produce from less input costs and it's going to be that way from now on. I am a firm believer of that. We must breed our cattle to be work cattle. They must work the land. We must be able to produce an offspring that will go into the feedlot and perform. I can cite the examples of some of my feedback sheets on my steers. As calves going into the feedlot they are gaining about 2.8, and as yearling they are doing about 3.4. Their choice percentage has been between 70 and 80%. This is the last 3 or 4 calf crops that I have the data on. I think that we need to take this into consideration along with everything that has been said today and remember one thing. If its not economically feasible it shouldn't be there. Thank you!

3. Purebred Industry - Vernon Holcomb, Stanton, Texas

It's going to be hard to talk about something that hasn't been talked about this afternoon. The cow business is such a complex business, and I wonder where it's headed. I do a lot of visiting from day to day and we do so many things in our part of the world, a lot of things we wonder about. I wonder about the size thing, how big is big, how lean is lean, what's wrong with fat? I guess you are kicking around these problems also. But we are here to talk about the purebred business and the influence the steer business has on the purebred industry today. Maybe I didn't realize it had so much influence until I look around today and see so many faces. These people are in the purebred business. I thought maybe just steer jocks, as everybody calls

them, would be here today. But I see a lot of cowmen, cowmen that are serious about breeding programs. I see purebred programs having a big influence on the steer business and I see the steer business having a big influence on purebred programs. Even though most of the money is in the commercial steer and packing industry, still a big influential part is being played by the show steer. I see them leaning on each other.

How important is the show business? I think its great. We never had anything to do with it until about 12 years ago, but as anything else you live to learn and learn to change. We talk about the one gutted steers and shrunk back steers. It's caused from several different things. Certainly we have to have capacity and yet not too much. We still have got to keep the cutability design in cattle. I don't care if a purebred cow sold for \$30,000 or she sold for \$3,000. Whether she is going to John Doe or whether she is going to Rio Vista for embryo transplant. Lines, frame, structural correctness, femininity and capacity are all important. I love all parts of the purebred business and maybe I've got too any irons in the fire but I think they lean on each other pretty hard. We've enjoyed showing steers as a family. Certainly it's not 100% true fact in the Bible, there are some holes in it. There are some holes in purebred industry today. There are some holes in our feedyards. I have been there too. In fact, I was there in the big wreck of 1974 for about \$250,000. That left an impression on me. But as a purebred breeder or as a steer breeder we try to breed a steer that meets the demand in the show world as well as the feedyard. The heifer mates have to be good females, carrying the feminine traits that we require in the female. She has to milk, to reproduce, to grow, to maintain herself as cheaply as we can get her maintained and still produce as many pounds as she can, as long as they are attractive and have enough eye appeal to sell. How much eye appeal to have to is the whole ball game. Maybe John Doe over here doesn't need them very attractive. He may stand all the shoulder, middle and everything else you can put on cattle. He may sell his on facts and figures. Most cattle have to have enough eye appeal at least to get the bull buyers' attention, the heifer replacement buyers' attention, the club calf buyers' attention, and the attention of the judges who try to judge the cattle and talk the reasons. Ah, we snicker and we laugh, but they have got to say something. They hand them a mike and say get up there boy. Explain what you did. So he's powerful, he's got a lot of eye appeal, he's long, he's lean, the best steer in the class, the best heifer in the class, so on and so forth. Nobody is trying to prove anything or get obnoxious in their opinions. We are all in this thing together and we pass the bat around. If you don't believe it you'll get your turn at bat sooner or later if you can stay in the cow business. But its getting to be a multi-dollar business, big investment, big tax write off, you can talk about this business all day. People make fun of the \$30,000, \$40,000 and \$100,000 heifers, fe-

males, bulls, whatever. What in the world are they going to do with them? I do not have enough money to do it, but some people need the tax write off. I think it is great. I am not condemning it a bit. I hope I am in that position some day. I will let a man talk to you that maybe knows a little more about the commercial feeding world than I do. Like I say I have lost \$250,000 in the feedlot business. I know a little something about that too. Steers can get too fat at times, and they can stay too lean too long. I don't know, timing is awfully important. We've talked about all those today on slides, The Dr.'s, their slides and figures and some of them are a little fast for me but I appreciated most of them.

4. Feedlot Industry - Bob Hillier, Guymon, Oklahoma

I think one of the interesting things about what I have seen here today and particularly about this reaction panel is the fact that these men are in the blood and guts of the cattle business. There are no show rings, no glitter and lights. You don't walk out there with your suit, tie, new boots and your new felt Stetson hat. Gentlemen, this is blood and guts, this is dollars. This is where you get sweat running down the crack of your fanny, where you get prickly heat, where you are freezing to death, where you scratch and claw for every 0.1 pound of gain or 0.1 pound of feed efficiency. That's the name of the game and it is serious. In our cattle feeding business, we will feed approximately 300,000 head a year. We will see each and every kind of calf that will walk through our gate. There are tall ones, short ones, fat ones and skinny ones. We have the opportunity to try and work on all the mistakes that other people have made in the cattle business. We get to have that opportunity for 90-120 possibly 150 days. And we are to take these draft horses? I doubt if anyone has ever seen a pound of gain grown between the belly and the ground. You guys are wrong and that's just all there is to it. In the feedlot business, we're after numbers, and believe you me we pay out \$25,000 a day for interest on those cattle. I don't classify that as fun. The only place of business that is prosperous is the bank. Every small rural town you go to, see if the bank and the PCA has got a new building front. I'd like some of that money to stay home in my pocket. Personally the last 3 months I have had the opportunity to enjoy some of that. The one thing that we want to do in a custom feeding business is to take care of our clients. Our clients are people like myself and like each of you. They invest in the cattle business for an opportunity to take an investment and turn it into a profit. They don't do this for fun. They want to make money. It's difficult to explain to a man why his steer gained 3.5 converted at 5 1/2 to 1 and he lost. If anybody has a good answer to that I will let you take over, it's difficult. With the clientele that come to us, they ask us to help them estimate and predict performance as well as profitability in cattle. If we are going to stay in the business, we have