

Personnel Management in a Small Midwest Feedlot

Jan P. Schuiteman, D.V.M.
Ireton, Iowa

It is good to be here out of the cold. Dr. Bechtol tells me it is 70° in Amarillo. When we left, it was -80° chill factor, so I think I will try to get my job back with him! I enjoy these meetings a lot more sitting out there rather than standing up here. I am not an experienced speaker, especially following Leo and Max. Another problem is being on the program with Dr. Bechtol.

Dr. Rappert and I are happy to be here. We plan on splitting our time today, to show you a little bit of what we are doing in our practice and do some looking ahead and tell what we think we should be doing in the feedlot practice in the Midwest. Most of the personnel management we will be talking about will be related to you and me as veterinarians and our approach to the farmer-feeder.

First of all, we are located in the small town of Ireton in west Iowa. We have a four-man large animal practice which specializes mainly in beef and swine. We are located in Sioux County, which claims to be the largest producer of corn-fed beef in the nation. Some of the Texas Panhandle people may argue with us! The farmer-feeders in our area are mainly of Dutch and German descent. We have smaller feeders, with the upright silos, the bunk feeders. They feed their cattle right in the yard with a feeder wagon, so we are dealing with a different system from the Texas feedyards.

They have a bunk feeders and harvester silos for corn storage, which may feed approximately 1,000 to 2,000 head per year with this type of system. With our smaller feeders one of the main sources of feed is corn silage and most of it is stored in bunkers. They have feed wagons with scales on them for the most part and feed these cattle everyday with that-corn silage and corn rations.

The small feeders in our area are going out of business for two reasons, mainly-age and economics. For the past three years a lot of these guys are just plain quitting and going to other forms of farming. The feeders we have left are the bigger feedyards.

We are not approaching the sophistication of the cattle feeders in the Southwest yet, but it looks like we will have to in order to compete. This is what we have to do as part of our job, is help these fellows become more sophisticated and more efficient. Our basic program on arrival is vaccination for rednose, virus diarrhea, and pasteurella. We use a lot of 7-way clostridium vaccine to prevent this type of thing. We have a problem with our feeders in that they do not

get a consistent enough ration in these cattle from day to day and we see considerable toxemia or sudden death. We use an injectable wormer and pour-on lice and drug control. We do not dip our cattle like they do in the Southwest so we feel that this is very important in our parasite control program.

We encourage the use of implanting. The farmer-feeder implants his own cattle. He is using mainly Ralgro because we have had some problems with others. So we have stuck mainly with Ralgro in our practice. We encourage the use of rumensin and the practice of re-implanting. In our treatment program we try to get our feeders to do more and more of their own treatment and processing. Economically, we cannot afford to run up and down the road all day. And on the other side of the fence, a lot of the feeders cannot afford the time we have to charge in order to treat these cattle.

We have set up some basic guidelines that we use in our practice, and these guidelines we use in training our farmer-feeders to treat these cattle. In our practice we have modified a little bit the treatment program that I learned from Dr. Bechtol. We have set up a simple treatment program using specific drugs at specific levels that we in our clinic follow and that we teach our clients to use. We use the thermometer as our guide as far as response. We stay away from steroids to mask our antibiotic response. If we do not get a response in 24 hours, we switch. The reason we have stepped from three days to 24 hours is that we do not have sophisticated hospitals or holding pens. Our objective is to get these cattle better and back in the pens as soon as possible. If we do not get a response the first day, we switch drugs and go from there. We will take the temperature the third day and if the temperature is down we will retreat with the same drug and hopefully kick that calf back in the same pen.

Our first treatment program is tetracycline and sulfas. The calf will look better but with no response on temperature, so we treat differently and go to lincocillin or whatever seems to be working at the time that we set up our clinic meetings.

The third day, if the temperature is 101°, we retreat with lincocillin and hopefully put this calf back in his yard and get him going.

We have some of our feeders trained to follow our program. We do not probably rely on them as much as Dr. Bechtol does the "cowboy vets" because if they do not get a response or are in trouble they call much

quicker. These are some of the things we are doing in a nutshell.

What should we be doing as veterinarians in the Midwest with the industry changing from the smaller feeder to the larger feeder?

First of all some basic facts. Feedlots are getting bigger and our feeders are getting more knowledgeable. Feeders are demanding more information and less labor from us as veterinarians. I do not take a D.V.M. to process cattle. It takes our knowledge but not our labor. Many veterinarians from the Midwest will probably disagree with me on this. Animal health products are available to feeders many times cheaper than we as veterinarians can purchase them. We have a problem in our area and I talked to some veterinarians about how some feed companies will give away medicine and veterinary service to sell feed, but let us remember that they make it back with interest because the feed they are selling is not the least-cost ration. In our area we have developed a relationship with the feed companies in that we have been cooperating real well in modifying their programs and modifying ours and just working together to help this farmer.

I have heard an interesting comment from many practitioners. My best clients are the small cattle feeders. Why haven't we as veterinarians justified ourselves to be part of the management team in the feedyard? In most cases the larger feeder is the better operator, keeping up with the latest developments and doing a better job. He is keeping records and watching his costs more closely. In many cases they are not using us veterinarians because, quote from some of our feeders, "Let's face it, vets are expensive. Everything they sell is too high. They get mad if I do things myself. I try to get by without them and then when I really need them to treat a calf when he is really sick after I have treated him, he always dies, so why call them. It is cheaper to let him die. I can get my vaccines from my feedstore or from the pickup truck from Nebraska that comes around much cheaper than I can buy from a veterinarian. My feedman is a great guy. He gives me good service and he can call his veterinarian and help me out if I get in trouble."

As you see, economics and lack of salesmanship have kept us out. Just because we have a shingle to hang out does not give us a free ticket into the bigger feeders in the Midwest. We have to sell ourselves and our knowledge to these feedyards. We have to justify our presence economically to these people as you have heard all afternoon. The idea of "fire-engine" practice is rapidly, I believe, going out of the picture because of economics. We cannot economically drive up and down the road and spend our time, gas and trucks, etc. We will have to do more consulting and less of the "fire engine" practice. It has to be economically feasible for us and the feeder.

Let us look at what our feeder needs. Probably not what he expects from us right now but what we can offer him. First of all, let us take a look at a good

feedyard and see what services they are using. Let us look at Leo Vermedahl's feedyard and what he has put together to run a feedyard. He is a full-time feedyard manager, master nutrition, graduate from a Texas feedlot course with 6 to 7 years of experience in feedlot management. They have a consultant nutritionist selling not a bag of feed, but a least-cost ration. They have a consultant veterinarian selling not a bottle of brand X blue medicine to treat one calf, but a least-cost veterinary preventive treatment program for that lot. They have records and computers and they are using these records to best advantage.

I would say that leaves our farmer-feeder in the Midwest a little understaffed and at a great disadvantage! Can we as Midwest veterinarians fill the needs of the assistant manager, nutritionist, consultant veterinarian and record keeper? I do not think it is a matter of if we can, but a matter of having to. In our practice we are attempting to get the job done. Getting the feeder's confidence and showing him that we can help him set up vaccination programs and treatment programs.

We have very little brand X drugs and we tell the feeder what we are using for vaccines and drugs at all times. We ask him to price his supplies with us and if we are close we would appreciate his business. We do not criticize him for doing his own work but we try to help him to do it right. If he is going to do it, he might as well do it right. We have been burned by some people in that they get some knowledge from us and go on and do it themselves and then do not come back. But for the most part we are getting some of these larger feeders back. They are getting some confidence in us and our practice. We are trying to do them a service as far as setting up programs for them. We feel that in the future the farmer-feeder cannot afford the staff that Leo has put together but he can afford to hire a veterinary manager, not a veterinary practitioner, but a veterinarian who sincerely is trying to help the feeder do a more efficient job.

It looks like we as veterinarians in the Midwest are going to have to be supervets.

Roger Rappert, D.V.M.
Ireton, Iowa

We in our practice feel that to improve our program we have to improve our preventive medicine approach in our small Midwest feedlots through a nutritional consulting program every day. Why, and what are the problems we see when we do this?

First of all, the problem that we see to start with is commercial feed companies. They do not sell nutrition but they sell feed. What do I mean by this? They sell services like grain storage, grinding, mixing, deliveries on the farm. Then they sell free caps, gloves and this type of thing. They do not give our feeder a balanced nutrition program based on the feedstuffs that these guys are raising on the farm. Even if we can

go out and buy something, why should we buy it when we can raise it probably just as cheap at home. This they do not take into account. They base their success of a feed company on tonnage of sale and not what the basic profit is of the small Midwest feedlot.

The next problem we have is our feedlots. Our lot managers have no nutrition or management experience as a lot have never gone to college. They do not have scales, moisture testers, blenders and this type of thing so that they can handle their feedstuff, and that is why they use a lot of the feed companies. They do not have sources to buy small ingredients such as vitamins, trace minerals and this type of thing that they need to balance their rations with for their feedstuffs. So those are problems they are faced with and we have to figure out ways to solve them. Then we have the veterinarian—you and I. What can we do to improve ourselves and what are our deficiencies?

First of all, we have to look at ourselves. Most of us are not trained in sales, recordkeeping and management. If you are like I was, you did not hear any of those things in school. Selling was unethical at the best. Worse than that really. But we have to sell ourselves everyday as far as what we can do and what has to be done. We are not trained for nutritional consulting. We have not had too many courses in nutrition and how to apply it.

Next, we are short on time in doing rations. When do you have time to figure a ration? If you are like me and you are running short on time, you barely get the calls done and you do not want to take time all night. We have had some communication failure, I feel, probably from our feedlot consultants in the academy, to get the information they know from their experience down to the smaller feedlots. This is improving to bovine practitioners, but it is taking time to get this down to the people that are not in Texas and Kansas and Colorado.

The next problem is how are we going to get paid for doing all of this? That is the biggest thing I can see, as we have to live, too. How can we make it economical and still get paid for it? Well, let us take a look at the veterinarian and see what we can do. First of all, we can start studying nutrition. We can come to short courses like here at the AABP, and universities have some short courses in nutrition. The other thing is that we can consult with nutritional professionals like ANI here in Bellwell, Illinois. They are veterinary-oriented and there are ingredient supply houses that usually have nutritionists that will talk to you about different things. And there is your private nutritionist that will consult with you for a fee, and also there are other veterinarians that are members of the academy that we can consult with, too.

The main thing is that you have to think nutrition on every call. This takes time to get confidence in and you have to see many things before you build your confidence. A typical case we might see are some cattle that are not gaining, are nervous and eating dirt.

They have diarrhea or constipation with lots of mucus—all of these symptoms in the same yard. We went out there and the farmer was talking to the feed man and they had been putting a neomycin in but they were not responding. He wanted to know what to do. We said that we were not sure but we would do a little work with him. We checked his ration over and decided we were dealing with a nutritional acidosis problem and put them on a buffer; 24 to 48 hours later the cattle had calmed down and were back to normal and the stools were looking good and they were back on feed.

These are some of the things we see as a nutritional problem that we do not have a bottle big enough to treat with. We also had some shipping fever calves this summer that did not respond. We started wondering why they were not responding. We took a look at his ration and it was low on energy. He was feeding them straw and grain. They were not eating the grain and the palatability was bad. We changed his ration and improved the palatability. They started eating again and our repeats started coming around, so there again we were dealing with a nutritional problem.

The main thing we have to do to our feeders is to talk to our feedlot operators, but we want to talk nutrition. We do not want to talk feed. We do not want to run down commercial feed companies. They do us a lot of good. But we need to explain nutrition to him so that he knows what we are talking about, not just say “this feed is bad.” We have to show him some value in keeping records, daily gain and feed efficiency, so that he understands what records do for him and how to make more profit.

We need to check the rations he is feeding against university levels and RC levels and other known values, especially when we have a disease problem, to find out what is going on and to build our confidence and help us in the future. Also, it will help him to know what is going on. We need to make him know that we are looking at his rations from a nutritional standpoint and not from just the idea that we are going to sell him some feed.

There is the problem of the time to work these rations. Most of the time you are like we are and end up doing them from 12 midnight to 6 in the morning. Ma does not get too happy if you are not home then, or at least part of the time! So, there is a salvation. Texas Instruments came out with a new programmable calculator called an SR-52. This calculator is programmable and Iowa State has come out with a catalog of programs that are applicable to the veterinarian and nutritionist and feedlot. I just received this one last week for \$30 and they will send you new programs. Some of the programs that would apply to us are net energy for feedlot cattle, protein supplementation for feedlot cattle, metabolizable protein in feed determination of feedstuffs, cattle feeder's worksheet, land purchase analysis, amortization loan payment and a ration analyzer.

To me this simplifies how rations are done. Next,

how are we going to get paid for this? For buying the calculator, doing the work, doing the studying, how do we go about getting paid? Some of it will not be all dollars and cents. Some of it will be the fact that you have self-confidence that you can go out and solve a client's problem and say I can figure out that problem and not have to go any place else. I can do it myself.

The next thing is that you keep the man in business. So you stay in business. We show the client how to save money at different rations. You can take this calculator and within a half hour run through 6 or 8 different rations on a bunch of cattle, figure the feed cost per head, and figure what your least-cost rations will be. This summer I worked one afternoon on it. We just changed the feedstuffs he was using around in different ratios. We were able to save him 10 cents a head a day and he had a thousand-head feedlot, so he saved \$100 a day or \$3,600 a year just on one ration change. To me, that is worth more to him than if he can buy vaccine for 10 cents a head dose cheaper.

We have to show our client how animal health and nutrition work together. How? By showing the additive energy in there to keep them healthy and to keep them growing. Just like Leo said, "Get them on a high energy ration and keep them going." This has been our philosophy. We have to show the client how we can save him many more dollars with our ration, balancing and changing, than with saving 10 or 15 cents a head on the cost of vaccines from the drug peddler.

Still we have to live. We need some dollars. How are we going to get them? One way is to supplement commercial feeds where necessary. This you can do by brownbagging simple ingredients if you want to. Or you can make premixes to supplement when you have to add more than one ingredient. Or you can sell

feed additives at a reasonable markup so he has a source to go to. But the day of 100% or 1000% markup is the day of the past. There is too much competition, too many out there trying to give it away. So you are not going to get that much markup but you will be able to maintain a reasonable markup and keep him coming back.

Also, there is another way. If we can figure out our cost for doing our rationing, charge like the lawyer does—charge for your time. At first they will resent it, but our experience has been if we charge for our time and they can see what we are doing and see that it is doing some good, they have not been too hesitant to pay us for it. But this takes some time. They have to realize that you just do not look at something and say, "Ah, you have to change it this month." You have to show them what you are doing and why you are doing it and then they will appreciate it. But you have to charge also. You cannot be unrealistic. He has to be able to afford it because if you change that ration and charge him with too much for just changing it, he may not be able to afford it.

In summary, we have to practice preventive medicine with a least-cost price tag. We have to try to keep that veterinary drug bill down as low as possible. We have to be a nutritionist producing least-cost rations that the man can live with with the feedstuff that he grows on his farm. Thirdly, we have to be assistant managers. We have to show him how to organize his feedlot. We have to handle his personnel so that he can get the most good out of them. If we can do all of these things, then help them like Leo's idea of these managers in Texas, then we can get many ideas. With this in mind we can help our clients stay in business in the Midwest and by doing that we will stay in business too.