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# Vertical Communication: The Aligning of the Beef Industry Segments

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VERTICAL COMMUNICATION  
THE ALIGNING OF BEEF INDUSTRY SEGMENTS.

By Dave True  
True Ranches  
Casper, WY

INTRODUCTION

During this presentation, I hope to convey why True Ranches, a family owned cow/calf producer and feeder in Wyoming has joined forces with Future Beef Operations (FBO). In brief summary, we believe that True Ranches fits well with FBO's strategy and there is a clear, well identified target towards which the entire system is striving.

BACKGROUND

In order to give a little perspective to these comments, it might be helpful to know a little background of who we are and what we do. Our operations include multiple cow/calf range operations in the eastern third of Wyoming running as far north as Newcastle and as far south as the Colorado state line. Each place has one or two groups of mother cows, each with a known breeding scheme. Further, we have a couple of small feeding facilities operating year around and are supported by a farm at each location. We use a three breed crossbreeding system involving Angus, Hereford, and Charolais, producing our own replacement females. Obviously, many of which go to herds other than from which they came. Outside genetic improvement comes via bulls purchased from known reputable seedstock breeders.

TRUE RANCHES JOINING FORCES WITH FBO

And now, to the main purpose of this presentation-just why did True Ranches join forces with FBO. As previously mentioned, we feel there is a good match of our resources, management practices, and long term goals with the overall game plan being implemented by FBO.

Our search for such a match stemmed from a long-term frustration; that of not getting the economic rewards that we thought were deserved. As with practically every producer throughout the region, we feel we produce an above average product but only receive an average economic reward. In addition, we wanted to be involved with a system that provided input and guidance back to our management practices and our production of beef.

Their game plan is designed to produce a safe, consistent, high quality product for a known target, that being the demands and desires of Safeway customers. It appeared to me

that every significant component needed to implement this game plan was in place, including a major retailer “with skin in the game”. All segments including seedstock suppliers, cow/calf producers, stocker/grower operators, feedyards, a processing facility, one set of specs, and a major retailer are all interacting together.

All of this is wrapped around one informational database creating a dynamic and critical flow of information leading to improved production efficiencies and better products for the consumer. This certainly appears to me to be a “color blind/data driven” system that holds the potential to reward us for our efforts, as well as, providing tools necessary to improve our product.

The FBO system provides economic incentives throughout the entire cycle. There are incentives covering management practices such as injection site selection, and branding, nutrition and health plans, genetic improvement and improvement of red meat yield.

This system encourages focus on one of two primary missions when it comes to genetics: terminal crossbreeding or maternal. By providing focus in either of these areas, it allows a set of cows to be designed around either maternal traits for producing replacement females or traits to maximize production efficiencies for red meat yield.

Speaking of genetics, the Genetics Improvement Plan is a major component of the FBO system. The concept of the Genetic Improvement Plan is to move a producer’s herd genetics towards more efficiently producing beef for the defined target. Armed with information about a producer’s herd along with other data, FBO geneticist help a producer design a genetic game plan, as well as, identify sources of cattle to improve the genetic pool. Through this individualize Genetic Improvement Plan we see not only economic reward potential for what we are doing today but a strong likelihood of continuous improvement in the years and decades ahead.

In summary, True Ranches sees its involvement with FBO as a good match from many perspectives. Further, this system holds the promise of full data interchange for the purpose of long term improvements based on a known target with all segments striving towards a common goal.