

# • the • isa informer

SPRING 1999

ISA CATTLE COMPANY

## Industry problems need answers

After 36 years in this great industry of ours, I am concerned that we still are not effectively dealing with the problems concerning our profitability and market share.

Lorenzo and I put together a series of basic questions and answers relating to the status of the ranching industry as the millenium approaches. What are your thoughts? We'd like to know.

•••

We have for sale an excellent group of performance-tested,



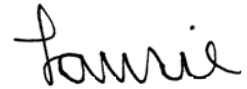
Laurie Lasater –  
President,  
Isa Cattle  
Company

fertility-tested Beefmaster bulls, as well as young registered cows calving now, open heifers, young fall-calving cows and E-6 heifers. For specifics on these offerings, please turn to the back page.

It looks like 1999 is going to

be a better year in the ranching industry – welcome news to all of us. You are cordially invited to come see our cattle and talk about Beefmasters.

Best regards,



Laurence M. Lasater

P.S. Please mark your calendar for our 38th Bull Sale – October 2, 1999.

### INSIDE

**Cattle for Sale**  
Including 100  
performance-  
tested bulls

**Challenging  
the status quo**

Questions take hard  
look at industry flaws



## Why does our industry consistently refuse to do what the customer asks?

*“Why don’t we quit using hormones?”*

Dear Pat:

It seems perfectly obvious and logical to me that the answer to the European Community ban on U.S. beef, because of U.S. using hormones in our beef, is to stop using hormones in the U.S. beef.

The European Community could buy our beef; and U.S. consumers could also “feel safe”

*Weekly Livestock Reporter*  
“From our mailbag”  
(March 3, 1999)

eating our beef. After all, perception is “truth.”

The only ones to lose are the pharmaceutical companies who produce the stuff, and importers – who may be forced to label their meat not knowing

for sure if the meat had hormones in it.

Are we really trying to please our buying public with the Quality Assurance Program or is this just more lip service?

I really don’t think the Political Action Committee money these pharmaceutical companies give the

*Continued inside*

## “Why don’t we quit using hormones?”

*Continued from cover*

NCA/NCBA has anything to do with their refusal to see hormones as a problem in U.S. beef – do you?

According to *Beef Today*, January 1999 Page 12-13, the NCA/NCBA has given us “one of our own kind” to try to hold the ship together. As I see it – it was a Boston Tea Party for the Beef Referendum funds to be assumed by the NCA/NCBA without a general producer vote. According to the article, there are a million U.S. cattle producers, but only NCA members who showed up at the convention could vote on the NCA taking the Checkoff funds. Then NCA/NCBA gave a \$250,000 award last January to Harris Ranch Beef for a beef recipe. It used to be that the National Beef Cookoff was the Promotional Force where money was awarded to non-beef producers for their recipes of beef. The article states “85% of the operating revenue is derived from checkoff dollars” for the NCBA. NCBA claims most producers support the checkoff, but LMA’s McBride says “if NCBA is really certain they have producer support for the checkoff, why don’t they go ahead and have a referendum? It would be a slam dunk for them. Beef producers contribute about \$65 million each year.”

---

“If NCBA is really certain they have producer support for the checkoff, why don’t they go ahead and have a referendum? It would be a slam dunk for them.”

---

I pray Mr. Swan can do a good job for cattle producers in the U.S. meanwhile, the USDA has given NCBA “Lead Agency Status,” which means they are considered our spokesman – even if they don’t represent us – on national and international issues.

*Drovers Journal*, November 1998, under NCBA legislation “International Monetary Fund approximately \$18 billion dollars was secured to stabilize and foster the economies of U.S. beef importers.” Is it a coincidence that the U.S. provides 85% of the IMF funds and is promoting NAFTA/GATT and administered by our government in Washington to the detriment of us beef producers in the U.S.?

*Have a nice day  
Louise Ahart  
Marysville, Calif.*

# Q

## The grading system is Why don’t we fix it?

The following quotes are taken from an article called “Are the Packers To Blame” by Dr. David Porter Price.

*Feedlot Magazine  
(February/March, 1999)*

“Our grading system was designed in 1916 and has essentially remained unchanged since that time. It is a crude system originally designed to differentiate corn-fed Midwest steers from grass-fed Texas longhorns.”

“...our grading system assumes that marbling is the

only determinate of quality. The reality is that marbling is only one of several aspects affecting quality.”

“...tenderness is the primary item consumers think of in terms of quality, yet our grading system does not address tenderness in an objective manner.”

“As it is today, packers have evolved competing on procure-

*It’s time we stop talking and start taking meaningful action.*

# Q

## If we are so concerned why don’t we do something?

Dear Sir:

I’d like to second Wade Choate’s suggestion to get cattle de-listed from the Chicago Mercantile Exchange and offer one more suggestion: DO SOMETHING ABOUT CONSISTENCY!

Almost everyone agrees that loss of market share accounts for deteriorating real prices. To date, almost nothing has been done industry-wide to deal with inconsistency.

1. Measure tenderness – LET THE MARKET SPEAK.
2. Sort finished cattle so they would stay in their segment with similar cattle with similar time on feed:
  - a. Brahmans fed to finish.
  - b. Beef cattle fed to finish.
  - c. Holsteins fed to finish.

**broken.**

ment and packaging. Put them on a value-based system, and their world would be turned upside down. Instead of selling #2 beef or #3 beef, they would have to genuinely identify quality.”

“The packer is not the cause of our problems. But he is the key to our future. By himself, however, he is not going to take us there. Left alone, he will take us down the same road we are on. Declining prices and market share.”

*alking and  
ful action.*

**d with issues of consistency,  
ething about it?**

*The Livestock Weekly  
(March 11, 1999)*

d. Other cattle fed to finish (roping steers, #2 Mexicans, cutting bulls, heiferettes, etc.).

Focus all check-off money and all association personnel on segmenting finished cattle so they would stay in their slot. The grading system originated to differentiate grain-fed cattle from grass-fed cattle. That is all it does. **DO SOMETHING OR QUIT COMPLAINING.** The price of cattle to the producers is all that matters.

Laurence M. Lasater  
San Angelo, Texas



**If our cattle  
don't fit the  
industry, why  
do they excel  
in every  
segment of  
production,  
feeding and  
slaughter?**

This is my report from April 24, 1989, on the sale of 1,258 steers on formula to Excel between 12/30/88 and 3/31/99 at an average premium of \$3.21 per hundredweight. These were steer calves, bought as calf-crops from all over the U.S. and Mexico and placed directly on feed without preconditioning. This list is all the cattle sold. Next to the weather, our biggest problem in the cattle business is that we, the producers, refuse to get the facts straight and then to act with vigor on correction information.

<u>Date</u>	<u>Head Count</u>	<u>Avg. Weight</u>	<u>TCFA Bulk Choice Steers</u>	<u>Beefmaster Price</u>
12/30/88	114	1286	\$74.57	\$76.71
1/06/89	59	1,161	\$74.64	\$78.42
1/06/89	24	1,144	\$74.64	\$74.89
1/13/89	82	1,059	\$74.11	\$76.10
1/20/89	52	1,069	\$74.70	\$78.36
1/20/89	39	1,130	\$74.70	\$77.75
1/27/89	40	1,047	\$73.80	\$77.62
1/27/89	41	1,031	\$73.80	\$77.51
1/27/89	15	1,066	\$73.80	\$75.93
1/27/89	15	1,059	\$73.80	\$77.10
1/27/89	30	1,057	\$73.80	\$76.38
2/03/89	15	1,030	\$74.51	\$78.64
2/03/89	18	1,041	\$74.51	\$79.69
2/03/89	50	974	\$74.51	\$78.17
3/03/89	15	1,006	\$78.33	\$79.92
3/03/89	78	1,035	\$78.33	\$81.55
3/10/89	89	1,093	\$78.08	\$81.24
3/17/89	54	1,042	\$78.40	\$82.05
3/17/89	40	1,095	\$78.40	\$81.50
3/17/89	41	1,091	\$78.40	\$81.72
3/17/89	41	1,096	\$78.40	\$82.42
3/17/89	40	1,085	\$78.40	\$82.68
3/24/89	39	1,045	\$78.70	\$82.28
3/24/89	55	1,047	\$78.70	\$81.55
3/24/89	41	1,097	\$78.70	\$82.64
3/31/89	34	1,066	\$79.81	\$84.10
3/31/89	56	1,111	\$79.81	\$81.73
3/31/89	41	1,095	\$79.81	\$83.31



## Why are we wasting time talking about non-existent carcass premiums?

The commercial marketing director of the American Gelbvieh Association recently stated that “feedlot performance is twice as important as carcass premiums and cost effective cows are twice as important as feedlot performance.”

One of our customers in Kansas recently pastured cattle for a very high-profile breeding establishment. These were ET calves by “needle-in-the-haystack” Angus bulls. Here are the results:

- 24 calves born on commercial Angus cows
- 8 died
- 16 weaned at 463

On 36 Beefmaster cows in the same pasture, he weaned 36 calves weighing 625 lbs. The ET calves evidently got too far from the vet and the feed truck.

We make our money off cow efficiency, livability and gainability. Where do you make yours?



## CATTLE FOR SALE

- 100 performance-tested, service-ready bulls
- 90 young registered cows calving now
- 25 registered heifers
- 16 registered heifers
- 77 Beefmaster Cross cows calving now
- 80 Beefmaster Cross yearling heifers – ready to breed
- An excellent selection of frozen embryos by L Bar 5502
- We are collecting two new bulls: Lasater 5096 and L Bar 7303

To find out more about these offerings, please call Laurie or Lorenzo at (915) 949-3763.



## Why are people who have no idea what they're talking about viewed as authorities?

Two years ago, Koch Beef told us they were going to revolutionize the beef industry. They did not last long. This article below is Koch's obituary:

“Koch Beef Company of Wichita, Kan., announced Dec. 3 that ‘a strategic business decision has been made to entertain perspective buyers for some of our beef assets.’ Koch ... currently operates ranches,

### *The Nevada Rancher* (January 1999)

stocker operations, and feedlots, and has an interest in some retail product ventures. ‘Koch is still very committed to the beef industry,’ said spokeswoman Mary Beth Jarvis. She said Koch and its subsidiary, Purina Mills Inc., would still seek related beef opportunities. Jarvis said Koch has recently

pursued an aggressive vertical integration in the beef industry. ‘Based on our results to date, a decision has been made to exit that strategy and some of the beef businesses through a disciplined sale of some of our assets. Elements of our beef business have been, and are, profitable, but results from the integrated strategy have been disappointing.’”



Laurie, Annette &  
Lorenzo Lasater  
Box 60327  
San Angelo, TX 76906  
(915) 949-3763  
(915) 942-1458 FAX  
email: isacattl@wcc.net  
www.isacattleco.com