

Schiefelbein Farms

A Rare Certainty... in an uncertain world

Picture of
Dad goes
here

In the past few months, many of us in the cattle industry have been put through a test. No, not the multiple choice kind—that would be too easy! This has been a test of determination and will, to see how many uncertainties one can endure in the cattle industry, while maintaining a decent standard of living and some degree of sanity. Here are some examples of the tests we've gone through: one of the largest, most extreme droughts our generation has seen; extreme price swings in the market that nobody could or did predict; and to top it all off, constant terrorist threats looming in the background—which isn't exactly a positive influence in the financial or domestic world. It's no wonder Benjamin Franklin said in the 18th century, "There are two certainties in life—death and taxes!" What an insightful quote; but could old lightning-bolt Franklin have left one certainty out? Schiefelbein Farms would like to think so—the reliable, dependable, Schiefelbein buy-back program.

The Schiefelbein buy-back program is entering its seventh year in full swing. Over the past seven years, we have purchased several thousand Schiefelbein-sired calves. Every year, we have put our money where it counts—on our genetics and

(Continued on the Back)

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“There are three certainties in life—death, taxes, and the Schiefelbein buy-back”



FAST FACTS

About the Farm

- Established in 1955 by Frank & Frosty
- Run 700 registered Angus cows
- Feed several thousand cattle annually
- Own 4000 acres of grass and crops

A Family Operation

- Frank & Frosty
- 9 sons, 7 daughters-in-law & 26 grandchildren

Industry Focused

- Frank Jr. & Frank III are involved in the beef industry on both a national and state level
- Tim manages value-based procurement for ConAgra Beef Company, the nation's 3rd largest packer
- Don is the executive director of the American Gelbvieh Association



Females Available This Fall

- 100 purebred Angus Heifers
- 50 Black Balancer Heifers

Spring 2003 Bull Sales

- Faith Sale - Saturday, March 15
- Valentine Sale - Thursday, April 3

For more information, contact:



Schiefelbein Farms

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Our Target... 70-70-0-1300

There is no better teacher than experience. That's one of the reasons that our buy-back program has been so important to our operation. While our buy-back has been a tremendous help to our customer's bottom line, it has also played an essential role in making certain our operation continues to be well rooted in the reality of the beef business.

While other purebred breeders have been blindly promoting their operations, Schiefelbein Farms has been busy identifying the right genetics required for long-term success. We've invested literally millions of dollars feeding and marketing cattle on an assortment of grids to discover the genetics necessary for our customers to have maximum success. And, the investment continues to pay big returns as we share our experience with our customers.

70-70-0-1300

Several years ago our son Tim, the Value-based Procurement Manager for ConAgra, helped the industry coin a phrase relative to carcass merit. Tim explained to the industry that cattle producers and feeders should strive to produce cattle that grade **70%** Choice and **70%** Yield Grade 1s & 2s with **0%** problem cattle. That goal is still absolutely valid today. In fact, Schiefelbein Farms has worked hard to ensure that our genetics meet that lofty goal for our customers. However, our feeding experience tells us that the 70-70-0 target needs to be expanded to 70-70-0-1300. The "1300" refers to the target weight at which steers need to be marketed when fed for maximum returns.

To illustrate the point, let's compare two sets of cattle. One set weighs only 1100 pounds when mar-

keted. The other set meets our goal of 1300 pounds. Let's say both sets of cattle met our initial goal of producing carcasses that graded 70% Choice and 70% Yield grade 1s & 2s with no problem carcasses. Which set of cattle is more valuable? Under current marketing conditions, the answer is the set of calves that can get marketed at a weight of 1300 lbs. In fact, the 1300 pound cattle are worth \$40 more per head. Put another way, cattle feeders could pay approximately \$7.00 per cwt more for the animals when sold as 550 weight calves. It really boils down to simple economics. If you plan to sell the cattle for \$0.70 when they are market-ready, and it costs you \$0.50 to put on a pound of gain, the more pounds you can put on results in lower breakeven sale price. For every pound you put on, you earn a \$0.20 advantage (\$.70-\$0.50). In this example, you are putting 200 extra pounds on the 1300 pound animal at an advantage of \$.20 per pound, for a total advantage of \$40 per head.

Use Schiefelbein Angus & Balancers Bulls

Our feeding experience has taught us that the quickest, simplest way to hit the 70-70-0-1300 industry target is by using a blend of Schiefelbein Angus and Balancer bulls. Specifically, we recommend that you use Angus bulls on all of your heifers and use a combination of Angus and Balancer bulls on your mature cows. Follow this simple genetic recipe and you will meet or exceed the target and produce market-topping calves along the way.

Take advantage of our experience. Your banker will be glad you did—and he won't be the only one!

Customer Profile - Larry Heath's Cattle Perform Exceptionally

Beneath all the joking around, Larry Heath is a serious cowman. When Larry first became a Schiefelbein customer he was very interested in the buy-back program and also a breeding program that included Angus and Balancers. He knew this combination would optimize maternal traits for his cowherd while producing feeder cattle that were worth more. For several years, Larry has been buying the top end of our Angus bulls for his heifers, and using our Balancer bulls for his Angus based mature cows. Schiefelbein Farms bought his calves last fall and the results were

phenomenal. The cattle gained 3.5 pounds per day right from the weaning phase through slaughter, achieved a 1305 pound live weight and graded 77% Choice. Of the several thousand Schiefelbein sired cattle on feed, the Heath cattle combined feedlot performance and carcass to the highest degree. Larry has followed the recipe for success by making his cattle $\frac{3}{4}$ Angus and $\frac{1}{4}$ Continental. This formula produces feeder cattle that are the "best of the best." Nice job, Larry!

Give us a call at 320-398-6952...
or, check us out on the web at
www.schiefelbeinfarms.com

Meet the Family

The success of any organization always comes down to the people involved. Schiefelbein Farms is no different. We have been blessed to be able to work together as a family... not an easy task considering that our family consists of Frank & Frosty, their 9 boys, 7 daughters-in-laws and 26 grandchildren.

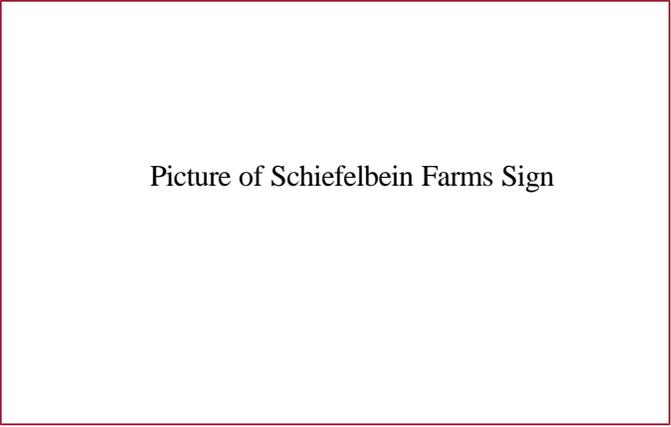
The key to our working family relationship is that each member of the family has a unique role in our operation. We'd like to share with you our family that we are so proud of:

Spotlight on Rick Schiefelbein



Rick is the second oldest of the nine brothers (45). Rick attended and graduated from Iowa State University where he wrestled on the nationally renowned Cyclones' team. However, Rick's most important accomplishment during college was to find his wife Cindy. Together, they have 5 children, 2 sons and 3 girls. Their youngest, Casey, was lost at the tender age of 6 to an unfortunate accident.

Rick is in charge of capital purchases for the farm. When the farm is in need of a tractor, a truck, a baler or anything for that matter, Rick ensures that we get the best value. As well, Rick manages the overall upkeep of the operation. A bent gate or a broken board is never out of place for long with Rick around. Rick's daughter, Kelly, painted our beautiful farm sign as a high school project (see picture below).



Picture of Schiefelbein Farms Sign

Wetz & Mann Calves Blow the Roof off at Faith Livestock

Because of the extreme drought, Ronnie Wetz and Willis Mann had to wean their calves early to keep as many cows as they could. The outlook seemed bleak since the calves would be lighter in weight, the fed cattle market was very depressed, and corn prices were off to the races. When Ronnie brought his calves to Faith Livestock on that August 18 morning, the only thing for certain was that Frank Schiefelbein would be on the seats bidding.

The Wetz & Mann family has used 41 Schiefelbein bulls in the past 10 years, so when the 200 steer calves marched across the scale they looked just like the cattle back in Kimball, Minnesota. Even though they were weaned 2 months early, the steers weighed 440 pounds with the stretch and conformation to grow into 1300 pound finished steers. Each buyer on the seats that day perked up his head and fired up his calculator when these beauties came into the ring. It didn't take long for the price to reach \$475/head (\$107/lb). When the gavel fell, the sale was the highest not only at Faith Livestock that day, but among the highest prices paid in the whole country for that weight of cattle. Schiefelbein Farms has fed the Wetz an Mann calves for several years in a row and penciled in a price we thought would buy the cattle, but the bidding blew past

us to a corn farmer in eastern South Dakota. He had plenty of corn silage to feed since he couldn't harvest the corn! The heifers were next to enter the ring and Schiefelbein Farms was ready to breed them and sell them as bred heifers to a repeat customer in Missouri. The bidding on these fancy black heifers was faster and more furious than on the steers. The winning bid (\$1.00 for 400 lbs) went to a producer in Milano, TX who was in search of the best black replacement heifers in the country. Reputation cattle with consistent genetics year after year and a powerful marketing job by Gary Vance of Faith Livestock, proved to be a winning combination that made this a sale that was talked about all across western South Dakota.

When we first started our buy-back program we knew cattle sired by our bulls would be worth more, but we never dreamed our very biggest customer would command a premium larger than any other in the entire country. The best part of the sale was to see relief and joy in the faces of Willis and Ronnie that night while eating a steak at the Faith café. We are proud to work with them, proud of the cattle they produce, and most of all, we are proud to have been able to help some top-notch cattlemen when the chips were down.

A Rare Certainty *(Continued from Page 1)*

our customers. Customers call us up when they are ready to sell their calves and each time we give them our best. Heck, we've even helped our customers brand their calves—just ask the Clavel family of Roy, NM & Eagle Butte, SD. Each time our customers have had calves at the sale barns, we've either been in the seats or on the phones: protecting, bidding, or buying our customers' calves—ensuring they bring top dollar.

Recently we've run into a little problem with some of our long term customers' calves. What's the problem? Just this: the reputation on these calves has become so rock solid and predictable, we've been having a harder time purchasing the calves ourselves. These calves are known to be healthy, to gain and feed well, and to perform well at the packing plant—the three hallmarks of good feeder cattle. We have created so much demand for our customers' calves that the competition has gotten tough. Our customers seem to welcome a fight over their Schiefelbein-sired calves. Maybe that's because it equals more dollars in their pockets. Now that's a problem anyone can live with!

These fall months are a prime time for feeder calf sales, and it's always good to have one more person on the sale barn seats while your calves are selling. It's nice to have a certainty like Schiefelbein Farms in your corner, supporting you and creating great demand for your calves.

As we continue to battle through tests and uncertainties in the future, keep Ben Franklin's newly modified quote in mind: "There are three certainties in life—death, taxes, and the Schiefelbein buy-back."

2003 Bull Sale Dates

Sat. March 15

1 pm MT

Faith, SD

85 Angus Bulls

20 Black Balancer Hybrids

Thurs. April 3

1 pm CT

Valentine, NE

60 Angus Bulls

20 Black Balancer Hybrids

Preconditioning Shots Work

Pfizer Health Program gets the job done

Over the past two years, Schiefelbein Farms has weaned over 4,000 calves from our customers. We've worked with our customers to ensure that all the calves we purchased received Pfizer preconditioning shots. The results speak for themselves... less than 0.5% death loss.

Pre-weaning (3-4 wks)

1. CattleMaster-4
2. One-Shot Pasteurella
3. Ultrabac-7/Sumubac

At Weaning

1. Bovi-Shield 4
2. Ultrabac-7/Sumubac
3. Dectomax



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