

By-Products of Texas Longhorns

Note: This is the final installment for the Trails by Darol Dickinson which details plans for a profitable business with Texas Longhorn retail beef sales, locating processors, building your own business, market development, expanding the ranch acreage, meat distribution and nutritional advantages over other breeds of cattle.

Earlier parts of this series have dealt with locating a processor, marketing, selecting cattle for processing and every part of starting a lean beef Texas Longhorn (TL) meat business. This final segment is about the extra value "outside the sack," things that can be profitable with Texas Longhorns that may be impossible with other cattle breeds, dogs, turtles or muskrats. Let's take a look at some of them.

Deep in the heart of every TL producer is the excitement of the possibility of selling a prize breeding animal for \$10,000, or even more. It has been done and will be done again. However, over the years only 68 buyers have made purchases of over \$10,000 at public auction and somewhat more than that number have been purchased privately. (Nearly all of the top sires have sold privately.)

For several thousand producers to be in the TL business and only a few dozen ring the big dollar bell may be disheartening. Yet, in the TL beef business it is not difficult to raise 5 steers a month, who combined, yield over \$10,000. Not only do the numbers add up, but without a doubt, the repeat business will cause this number to multiply over and over. The beef business is not a one-time lucky sale, but something that happens on a regular schedule -- with a plan. Seriously consider more long term returns than the \$10,000 one time cow; look at TL beef, and the many by-product added profits.

Skulls and steer taxidermy mounts are obvious. These are things that have been marketed for many years and not much needs to be said additionally about that part of the business. The Angus people are out in the cold on marketing skulls, mounts, tanned hides, hoof lamps, horn jewelry and so far, high omega 3 beef. There are big dollars to be earned and Angus just can't cut it. It takes a Texas Longhorn to capture the by-product profits.

Pet food is a new frontier. People in the USA often spend more money to buy



Texas Longhorn rugs are a by-product to elegantly decorate any lodge, western room or office. No two are alike. The display is striking.

nutritious pet food than to feed their own children. In last month's installment the bare bones of grinding different sizes and types of cattle was explored. Now, take that data, and add in pet food. Here's how. Take the liver from a grass fed TL that weighs about 10 lbs, add the kidneys, about 7 pounds and add the pelvic fat and fat trim, about 60 lbs. It depends on the size of the critter being processed, but 75 to 95 pounds of prime 100% beef pet food, all grass fed, can be ground into a chilli meat size grind. A beautiful, healthy pet product evolves. Although it may be up to 70% fat trim, the coloring of the liver, when ground, adds a rich brown tone to the mix making it appear about 70% lean. This can be sold for \$2 to \$3 per pound to pet owners. This adds another approximately \$250 to the profit of one TL steer.

Pet by-products include dog bones. Certain large hip bones are choice for dog chews. These can be vacuwrapped and available from \$2 to \$4 per pound.

All natural grass fed dog bones can add a special marketing touch. Small smithereens of meat remaining on the bone is okay, so it doesn't take away from other more valuable human food uses.

Still on the bone thing - Google "broth bones." Health food connoisseurs often believe the bone marrow is the most vitamin rich part of a steer, especially a grass fed steer. Bones not much different than dog bones are choice for those who slow cook bones until they turn totally into a thick broth. This is a favorite of Arab and Muslim people. Check the recipes for bone broth and their many uses will surprise even hardened cattle people who thought they knew it all. Ask your processor to package the choice bone broth bones and this market will start to grow. Science will prove that grass-fed TL bones contain more nutrients than other cattle breeds, pork or poultry.

Tongue and heart are lean muscle. Tongue and heart sell for a very low price (about \$1.50 per lb) and few know how



This is Texas Longhorn pet food of fat scrap, liver and kidney mix prepared to human specifications, but marketed for pets.

to prepare it. This lean muscle can be added to the grind. Most processors automatically do it. If not, tell them to add it. Grind sells for \$5 per pound. Not a big thing, but it will add about \$15 to \$20 to each steer's value as freezer beef.

The most valuable cut of pork is bacon. Very spicy foods are "in" right now. Have the "plate cut" made into bacon cured beef. This front, behind-the-brisket, part is called on pork, "sow belly" and on a steer it is the "plate." Consumers expect quite a lot of fat in bacon and don't mind paying for the fat. The

-- continued on pg. 54

-- continued from pg. 52

plate cut of a steer can be fairly fat, too fat for grind, and sell for more than grind, and create an expanded market. This is beef bacon socked full of omega 3, the opposite to pork bacon which has zero omega 3. Bacon cured beef is far more healthy than pork bacon. If your processor smokes/cures pork bacon, it is the same process.

A by-product of the Texas Longhorn herd is land, grass land. Many have bought grazing land to run a few Texas Longhorns, then increased the herd and needed more land. Without cattle, grazing land would be unnecessary. Yet, as a result of land purchases and the continuing increase in land values, Texas Longhorns sometimes became the by-product and land becomes the enriching investment. Texas Longhorns make land purchases the right thing to do. They work together for double profits.

Texas Longhorn cattle investments are profitable when managed in an intelligent normal way. Some land areas are very expensive, especially close to large developed areas. In areas like these it may take some hunting, but leasing of ungrazed land may make good business sense. Drive around the area of choice and locate grass areas not being used. Identify the parcel numbers at the county engineers office and contact the owners. Absentee owners are ideal to lease grazing land from. Elderly people who don't work the land are good prospects. Work the area. It may allow the Texas Longhorn herd to grow faster without the cost of high-dollar land payments. Then, the time will come when cattle will buy their own land.

Sell high. There will always be city stores selling beef grind for low price specials. (In 2013 a record 18% of beef consumed in the USA was imported.) Normally the cheap sale items are high percentages of fat. When good customers confront Longhorn people about their higher lean beef prices this is the way it is..... "City stores buy beef carcasses, separate the steaks, roasts, fillets, sirloins, new york strips, t-bones, brisket and even flank steaks. The remaining parts are the fat, meat between the ribs, neck, legs, jaws, more fat, inner shoulders, ox tail, etc. This remaining "scrap meat" or "garden variety" giblets becomes hamburger, sometimes very cheap hamburger. To the opposite a grass fed TL steer can be ground with all the steaks, roasts and

high value cuts all included in the grind. When consumers say how well the TL grind tastes, they are eating steaks and value cuts, not just the garden variety scrap meat. And that is why it is so easy to sell for a better price than the city meat counter scrap product."

Sell local. Most people have several thousand people who eat beef within a few miles of their ranch. That is the target. Do not..... do not try to market to the whole world until your local neighborhood has been saturated with lean TL clients. Most likely within 20 miles there are more consumers than any ranch could ever supply.

The most valuable part of a steer is not the rib eye, the t-bone or the fillet. It

is jerky. Jerky sells on the counter at truck stops for \$25 to \$38 per pound. This doesn't come from tender expensive corn fed steers, but from lean, perhaps old lean cattle. Jerky is the largest mark up in the beef business. Wherever processing is done they should provide some extra value products and will often make a jerky product. When the numbers of the previous installment are considered, add some jerky product to the retail package. A batch of jerky weighing 50 lbs can easily increase the price received for a steer of another \$800 even including the shrink and cost of smoking. Don't ever forget the valuable added by-product profit of jerky.

-- continued on pg. 56

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-- continued from pg. 54

Beyond jerky is ring sausage, beef sticks, lunch meats, summer sausage and corned beef. Many processors offer a variety of these beef by-products that add hundreds of dollars of profit per steer. Some make bologna which has a cheap image -- don't sell bologna.



A Texas Longhorn ranch public tour, western guest ranch or dude facility can be a by-product business of the herd. This doesn't work with other cattle breeds which have less history and eye appeal.

USDA has developed a grade for every beef carcass. Grading is a judgement call based on the degree of carcass marbling (fat particles) and degree of maturity. Each is graded into prime, choice, select and standard. The prime and high choice are grades approved for certified Angus beef. It is the very fattest grades. A poor milk cow with a minimal fat cover would be on the lower end, graded as USDA standard. Good beef type Texas Longhorn steers fed a good corn/grain ration for 100 to 120 days and being processed at about 1250 lbs will consistently grade in the low choice range. This range is not overly fat, but enough finish to be tender and an enjoyable eating experience. Low

choice is a good target and a realistic goal.

With the promotion of USDA grade carcass qualities as a commercial marketing tool, like many government ideas, it has little bearing on freezer beef sales or the consumer. Nearly 100% of the consumers do not understand the USDA technical grading system, can't recognize it on the meat counter, and don't care. The consumer never asks what USDA grade the beef is. What is important, and what they do ask is, 1) Is it all natural, no steroids, no hormones no chemical injections? 2) price? 3) Is it locally raised or

imported? 4) Is it a good eating experience where the kids don't cut off a lot of fat or gristle and leave it on their plate? Some have a preference as to grass fed or grain fed. That is your real public.

As Texas Longhorn producers transfer part of the herd to a lean beef business it isn't necessary to know every answer to ever question. In this series of articles each reader has much more information than is necessary to get started, and to be very successful.

Think of the TL meat business like driving a car in the dark -- you don't have to see the road clearly for many miles all the way to home. Be happy to arrive home safely following where the head lights point. Millions make it home every night only seeing a few hundred feet down the road.

Process a few "bottom-enders" and get started. The light will shine as bright as you need, and get brighter as you go.

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How Long Raising Longhorns: Since 1975

Member of TLBAA: 1984

Elected to the Board: January 2014

TLBAA Involvement The Last 12-24 Months: Horn Showcase Measuring Team Chair, Cattle Judge, Sale Consignor

Reasons For Wanting To Serve On The Board Of Directors: To represent all members of the TLBAA and Region 9. I have a lifetime of experience with Longhorn cattle and the TLBAA. I enjoy serving and giving back to my passions.



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