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Computer Cowboy

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Now that you’re finally at the checkout counter and have a minute to add up the damage, look at the roast you just bought — yes the one in your market basket — did it ever occur to you that it might be a statistic? It’s possible that your roast was a cipher on a green and white striped computer sheet. Even stranger, the steer that your roast was once a part of might have had an insurance policy — not that the owner could collect now that the steer is obviously deceased and been divided up. But he could have collected had the steer died an untimely death.

“But insurance on a steer! Isn’t that another reason meat is so expensive?” Actually, the opposite is true. A rancher or a feedlot manager can recoup his losses more effectively when he has insurance. Then a dead steer doesn’t become a dead loss — you’ll pardon the pun!

“But won’t computer costs drive up the price of meat?” Information that a feedlot operator uses for better management helps keep prices down. Admittedly, nothing has kept meat prices low; but the new kinds of
technological assistance ranchers have access to now are making management decisions less hazardous. That, in turn, helps to reduce some of the hazards to the business of producing meat. And you as a consumer, when you pick out a roast at the supermarket, share in the advantages.

Where do ranchers and feedlot managers find such information, you ask? Right here in Oklahoma. It's called Professional Cattle Consultants, and it is the brain child of Steve L. Stroud, Weatherford, Oklahoma.

Just a little town, perhaps. But big things start small — and Professional Cattle Consultants (PCC) is Big Business nationwide. So the question is how can a business in a little place like Weatherford have an impact on the cattle industry nationwide? Good question. Let's take a look at how PCC operates.

Pretend for a moment that you either own or manage a feedlot. That would mean that you are responsible for about 20,000 head of cattle. We're talking about roughly $13,000,000 in the current market. The life, the feeding, and the eventual sale of those cattle depend on you. What you feed them, how much you feed them, when you feed them — all these affect when you can sell them and for how much you can sell them. To make even a minor misstep with your investment in 20,000 steers or heifers would be a major calamity. You're ready for help — who wouldn't be!

The thing you would probably desire the most is a source that gives

Professional Cattle Consultants, the "brainchild" of Steve Stroud of Weatherford benefits feedlot owners.
unbiased, pertinent operating data for the industry. Your smartest move, then, would be to join the network of about ninety feedlot managers in the United States and six in Canada that are served by Professional Cattle Consultants. That move alone would put your 20,000 head of cattle in the company of nearly two million other cattle, whose performance provide the information and reap the benefits of Stroud’s computerized consulting service. Stroud proudly points out, “PCC’s information is developed by cattle people for cattle people, and our efforts are directed at providing feedlot managers with facts, not opinions.”

As a feedlot manager, your part of the bargain would be to report monthly the number of cattle on feed in your lot; the total number of cattle brought in and their cost and weight; the total number sold and what they brought. PCC then audits this information plus some other data such as feed prices; number of steers and heifers, broken down by weight and sex; your number of employees and payroll; then the computer completes the process.

The resulting report would then be returned to you in the form of a Newsletter, furnishing you with comparable data such as the cost of gain for steers and heifers and feed conversion rate for steers and heifers; then you would have a report that compares your feedlot’s performance with the “par” in all vital areas. You would also have an analysis of your own operating data as well as the industry averages within your area and a cross comparison with other feeding areas of the country. For example, you could compare your operation in Oklahoma with one of similar size in other areas of the United States or Canada. Thus, you would have a guide for making marketing decisions, and that information would give you tremendous advantage in making day-to-day managerial plans because you would have the edge in predicting market conditions “down the road.” You could then capitalize on your feedlot’s strengths and correct its weakpoints.

It’s easy to see why the PCC Newsletter has become the “Bible” of the cattle industry since its introduction into the profession. Never before had such information been available — before 1973, as a manager, you would have depended on the local sale barn or the national TV stock markets.
But now, as a manager, with a professional Newsletter in hand, you could study in depth the current conditions in eight geographical areas. That Newsletter would indeed put you in good hands. Stroud points out, “Over 22% of the cattle on feed in the seven major feeding states are in PCC participating feedlots.”

A simplified breakdown of useable information that you would receive based on a survey of almost 100,000 steers might go like this. We’ll say that a steer bought in February cost you $504.00.** You will sell him in five months when he has gained the proper amount of weight. You would learn from the Newsletter that his gain in weight will cost you nearly $248.00; other expenses (interest, commission, insurance, etc.) will be about $45.00. So in five months’ time that steer will cost you $797.00 That is money out of your pocket.

According to the average projected in the Newsletter, you would have to sell the steer for 72.50c per pound to break even.

It obviously would help you as a feedlot manager to know what the projections are both area wide and nationwide. That same advantage is passed on to the consumer. You probably see now the fallacy in thinking that ranchers and feedlot owners are making exorbitant profits on the sale of their cattle. Too often there is the mistaken idea that pure unadulterated gold is pouring into their coffers — after all, one steer brought $797.00! You know now about the expenses!

So, you see, the roast you just bought probably came to you from a feedlot manager who had taken advantage of some of the most accurate indicators (98% accuracy rate, in fact) of market conditions.

Stroud comments, “With consumer action groups and uncertain markets all added to the original chance of an agricultural industry, it should be comforting to know that firm facts and comparisons are available for decision making.”

So while it’s true that Oklahoma is a relatively small state and Weatherford is a small town, there are Big Business innovations that have their origin there. Weatherford Country has always had its share of the Old Time cowboy with faded britches and run-over boots; more recently it has seen an increasing accumulation of Urban Cowboys dancing the Cotton-Eyed Joe in pheasant-feather-decorated hats. But in the Stroud Building in downtown Weatherford is the Computer Cowboy — and he is the one who makes the difference to the feedlot manager and the family budget.

**The figures used here are not current ones.