

TAA CONSIGNMENT SALES – THEY ARE FOR YOU

Part 1 - Selection

The statement was made in the movie Field of Dreams, “if we build it, they will come”. Nothing could be further from the truth in the seedstock business. Regardless of the quality of the product that you produce, the success of your program will always rest on the strength of your marketing plan. Breeders are not standing in line to purchase the results of your breeding efforts. You must actively present your product to the marketplace. But how?

We all know of the production sales of the large programs in our area. These breeders have achieved the size and name recognition in their area to attract buyers to their ranches for an annual sale of select individuals. These events range in size from 60 to 100 plus animals. But what about the small breeder? Did you realize that 79% of AAA members register 20 or less animals per year? Programs of this size are faced with limited opportunities to market their cattle. Private treaty offerings and consignment sales are their only options. The Texas Angus Association is proud to sponsor four consignment sales annually. For the small breeder, these are your production sales. You must think of them as such and plan what you intend to sell accordingly.

If you talk to the owners or managers of the large ranches they will tell you that they begin planning for next year's sale as soon as the current year's sale is complete. They identify a year in advance the pool of animals from which they will select their next offering. From this pool they manage these animals with the end goal in mind. The small breeder should employ the same tactics. When the nominations for the TAA Spring Spectacular Sale, usually held in May, have closed, It is time to begin selecting your consignments for the fall TAA sale usually held in September, as well as the Stars of Texas Female Sale and the Best of the West Bull Sale usually held in January in Fort Worth. What do you intend to offer and in what stage of production? Consider these obstacles for the animals you might offer for a sale:

- 1) If you are offering a bred heifer, what calving date will make her most valuable to a potential buyer? In addition, which sires will attract the most interest? Remember, you are breeding for a buyer and not for yourself. Breed accordingly.
- 2) If you will be selling a donor, will she have more value if you offer her open or pregnant? Does it make sense to offer embryos with an open donor to sweeten the offering? Again, have a plan
- 3) Don't offer a bred cow that has the potential to calve at the sale or just a few days before. There is the potential for a very young calf to be injured at a sale and your cow will not be presented in her best light just days after calving

In short, make a plan for your consignment sale offerings well in advance of nomination time.

Presentation is of the utmost importance. I vividly recall my disappointment with my first consignment sale. I had poor placement in the sale order and my offerings brought much less than the sale average. When the pity party was over, I realized that my placement in the sale order and lack of buyer interest in my animals was primarily due to the condition of the females that I had consigned. When a potential buyer came into my stall he was able to simultaneously compare my animals with those of the consignor in the adjoining stall. Truthfully, mine did not compare favorably. If you have questions about feeding or fitting your animals for a TAA

consignment sale, I can assure you that our members will be happy to assist you. Don't be reluctant to ask.

You offerings should be something you would be willing to buy. The biggest mistake consignors make is offering an animal in a consignment sale that they wish to get rid of rather than one that will impress someone with their program. It is difficult to part with one of your best, but if you are serious about developing a market for your cattle, this is a must.

In our current economic situation, buyers are more diligent than ever in their purchasing decisions. The highest dollars are spent on animals that offer the "whole enchilada" with regard to pedigree, phenotype and data. It's much like selling a car. The buyer who wants a red convertible with a V-8 may purchase a red hard top with a V-8 if the price is right. The principal is the same with cattle. An individual with a strong pedigree and great data that lacks phenotype still has value, but not as much attraction as its competitor for the buyer's dollar that offers all three elements. Consider this as you select your offerings and as you reflect on past sale results.

Have a plan for marketing your animals. Whether you use print publications, the Internet, direct mail pieces or telemarketing it is important to place your animals in front of the buying public prior to sale day. Many potential buyers are missed by the consignor's reluctance to aggressively market his product. In addition, consider the value the consignment sale offers with regard to customer development. Many times the animal you sell would yield more net profit if sold off the farm. You must, however, factor in the new contacts you will make while participating in a consignment sale. A full day of exposure to customers that are not aware that your program even exists is an extremely valuable opportunity. Take advantage of it.

Finally, disregard the myths that you may have heard about consignment sales. Contrary to some beliefs, these sales are not conducted to serve the needs of the Association hierarchy. If you have had a bad experience in the past, dust yourself off and try again. I can assure you that your marketing efforts will not be enhanced by staying at home. If your animals have not brought what you thought they were worth in a previous sale, take a long, hard look at what you offered and the condition in which they were offered. Maybe the fault did not lie with the sale.

An association is only as strong as its individual members. You need a place to market your animals and TAA needs your participation to strengthen our sale offerings.

Starting with The Stars of Texas Female Sale and the Best of the West Bull Sale, both held in conjunction with the Fort Worth Stock Show, usually in January each year, nomination letters for the Spring Sale are mailed soon thereafter. Nomination letters for the Fall Sale follow closely after the Spring Sale. Immediately following the Fall Sale, nominations are requested for the two sales shown above in January. Don't put your selection process off until next week.

Identify them today. If you are unsure of what to select or whether or not to participate, a Board member in your area will be happy to assist you. Pick the sale or sales that best fit your needs, Remember, a marketing plan is what differentiates a hobby from a business.

Source – Robbie Bean

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Part 2 – Presentation

Each of us is confronted on a daily basis with an array of products that producers wish to sell us. The success or failure of these producers lies in the purchasing decisions of the consumer. Each manufacturer is looking for the trigger that says to the potential buyer “pick me”. So how does this apply to the cattle that you offer in a TAA consignment sale? Let’s analyze.

The first, and maybe the biggest, step has already been taken for you. Your American Angus Association is without peer in making the cattle that you offer for sale the most visible in the industry. When was the last time that you saw a fast food chain offer a burger or your local supermarket offer ribeyes that were advertised as 100% Hereford (or Charolais or Beefmaster)? You get the idea. Every breed of cattle in the industry today is striving to create a “black” product. They all want to be you. So the first hurdle has already been jumped for you. The rest is up to you.

If you read and followed the advice in the previous article, you have already selected the animals that you wish to consign to the Breeder’s Select Sale in September and the Stars of Texas/Best of the West Weekend in January. Your next two challenges are to get them in condition to survive the competition to get into the sale and then continue this process to enable them to compete for the buyer’s dollar on sale day. How do you accomplish this?

At each sale that I attend, I encounter at least one crusty old veteran who makes the statement, “I want em’ range ready. Don’t want em’ to melt when I get em’ home.”

Sit behind that same individual at the sale and I can almost guarantee you that what he buys will be a “fat one”. Ask anyone who has experience in this business and they will confirm that “fat sells”. When I first started in the seedstock business I was quick to notice that certain producers always seemed to bring their animals to consignment sales in a body condition that I was unable to achieve. In the beginning, I let my pride get in the way of asking these breeders how they achieved such optimal body condition. Time eased my reluctance, and as I began to ask questions, I discovered two important things:

- 1) Breeder/members of TAA are delighted to share tips with you that will enable you to better present your cattle.
- 2) How you feed and prepare your cattle varies significantly based on your locale and the availability of feed components in your area.

Don’t be reluctant to ask experienced consignors how they get their animals ready to sell. These questions will pay great dividends. (You will note in the exhibits attached to this article the sale prep feeding regimens of two premier breeders who “get it” with regard to sale animal preparation. Hope this helps. Be sure to thank these breeders for their willingness to share their expertise.)

You will note from the variance in the highlighted feed programs that both the makeup of the ration you feed and the quantity is important. Your goal should be to add as much body weight and muscle expression as possible without making the animal look obese. This goes back to the practice of early identification of the animals you wish to sell. A gradual process of adding condition to a sale animal will produce a much more eye-appealing product. One that has been

force-fed large quantities of grain and forage over a short period of time will not achieve the results that you desire. In addition, a slower weight gain process is much safer for the health of the animal.

Another extremely important aspect of sale animal presentation is grooming. Let me be clear that, unless you are consigning show prospects, show sculpted animals are not the expectation in a consignment sale. You should, however, make sure that your animal is groomed in a manner that will make it stand out when compared to others competing for the buyer dollars. Make every effort to remove discolored hair from the animal's coat. Early clipping (30 to 60 days prior to sale) will remove unwanted hair and allow time for a healthy coat to return prior to sale day. In addition, feed supplements and sale day finishing products are available to enhance the gloss and sheen of the coat. Customers will notice. Depending on the time of year of the sale, consignors vary between body clipping the entire animal or trimming only heads, tails and top lines. Again, if you don't know what to do or how to do it, **ask**. Experienced consignors will be glad to help you. Finally, if you do nothing else, I recommend that the animal you present for sale be clean. Some contend that animals washed on sale day give the illusion of a pampered animal or one that is not "pasture ready". Others believe that the cleanliness of the animal as it enters the sale ring is an indicator of the pride the consignor takes in his product. You must be the judge as to whether or not a clean animal gives you an advantage over the competition.

Knowledgeable cattlemen pay a great deal of attention to feet and legs. After all, a cow that cannot walk from feed to water to shade does not have much value. Make sure that your sale offering does not have long or overlapping toes. If foot trimming seems appropriate, there will be a farrier or vet in your area who can assist you with this task.

Always remember that a consignment sale is a competition. How your animal is presented to the public has a direct correlation to the value you will receive when it goes through the ring. A men's clothing store that advertises heavily in the Metroplex uses the slogan "You're gonna' like the way you look." I would suggest that you take the same pride in the animals that you offer in consignment sales. Try it and see if it does not pay dividends.

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Part III – Marketing

Let's assume, you have nominated your females for the Breeders Select Sale September and have selected the animals that you wish to nominate for the Stars of Texas and Best of the West Sales in January. You should be well into the stages of preparation of your animals as outlined in earlier articles. Now comes the bad news. All of the efforts that you have expended in selection and preparation will have been wasted if you fail to market your product to the buying public.

If you were to get up from reading this article and turn on the television, odds are great that the first thing you would see would be a commercial. There is a reason for this. Companies realize that seldom does that rare product come along that requires no marketing. For those of us in the Angus business, we must realize that each breeder who will consign to a TAA sale is competing for a limited number of buyer dollars. Marketing is a large component of the success

or failure of your consignments. You get to choose how, or if, you will attempt to give yourself an “edge” over your competition.

I have heard all of the excuses not to market and, quite frankly, I am amused when I hear them. “I don’t have any marketing skills”, “I’m uncomfortable making cold calls”, “I don’t want to interrupt someone during their dinner”, “A post card is just another piece of junk mail” are all true statements for some and music to the ears of others. When I hear someone make one of the above or similar statements I mentally give myself a competitive advantage over that breeder. My old grandpa used to say “Can’t never could do anything.” Nowhere does this old philosophy apply more than in marketing.

If you have never thought about marketing, now is the time to start. Let’s start with the simplest type of contact. On your AAA Login web page (under Buyer Contact Info & History) there is a section that will give you the name, address, phone number, animal purchased from you and date of purchase. These are your past customers. Contact them, in whatever manner you feel comfortable, thank them for their past business and invite them to join you and a group of other consignors on the evening before the sale. You don’t even have to mention that you have animals in the offering. Just invite them to join you and other Angus breeders for a time of fun and fellowship. It will make you feel good when they show up and thank you for the personal invitation. If you have never sold a cow before, contact anyone you know and extend the invitation.

If you choose to make personal calls rather than using mailed pieces, be courteous. You will encounter two types of people on the other end of the conversation, those who wish to talk to you and those who do not. After introducing yourself, ask “is this a bad time for you” or some similar question. If the timing is bad, excuse yourself. If the time is appropriate, extend your invitation. Be prepared to answer the potential buyer’s questions. For many of these people, nobody has ever taken the time to call and invite them to a sale. They may ask about location, motels, type of cattle being offered (cows, heifers, pairs, etc.), hauling, who knows? Many times they ask “do you have anything in the sale?” This is your opportunity. Know your product, how old it is, what it’s bred to and when it will calve and, most importantly, tell him why you think he should buy her. This goes back to our selection discussion. What reason are you going to give that potential buyer to purchase an animal that you didn’t want in your herd. If you are proud of your offering, you won’t have any problem extolling her virtues.

If you opt for mailed pieces or e-mail contacts make sure that you send them far enough in advance for the potential customer to make plans to attend the sale. In our busy world, people schedule weekend events in advance. Make sure to note in your contact piece whether or not internet bidding is available if they are unable to attend. In addition, make sure your printed piece is well organized, emphasizing the details about the sale and specific information about your lots. The person receiving this advertisement will make a split second decision whether to discard or further explore your mailing. Professional assistance to help you make a good impression is recommended. Such help will provide value for the dollars spent.

Marketing works. Attached to this article are some tips from Steve and Laura Knoll of 2 Bar Angus in Hereford, Texas. I get many questions about how 2 Bar has achieved the level of success that they currently enjoy. Steve will tell you that it has not always been like this. It has taken time, effort, product knowledge, customer service and marketing to reach the status in the marketplace that they have achieved. They are living examples of how sticking to your

marketing plan will ultimately lead to success. Make use of the insight he is willing to share with you.

Most small breeders market their animals, to some extent, through consignment sales. The marketing for these sales is a collective enterprise. Don't be the weak link in the chain. Let's consider consignor A. This consignor has made a full blown marketing effort. He has run a full page, color ad in the Texas Angus News, followed by e-blasts and postcards that describe his consignments. In addition, he began several weeks prior to the sale making calls to his past customer list and anyone else who might have an interest in his offering. He is excited, on sale day, to see that that one of the individuals he has been soliciting has come to the sale. Two hours later, when the gavel falls, the customer that consignor A has worked so hard to cultivate buys the offering of consignor B. Is consignor A disappointed? Sure, but this is part of the collective process. Consignor A assumes that he has provided a service both to the customer (who got the cow that he really wanted and would have missed if he had not been invited to the sale) and to consignor B, who made the sale. But what about consignor B? If he made no effort to market his product prior to the sale he got something for nothing. Don't be labeled consignor B. Do your part and help assure the success of every consignor.

A word to the buyer. All of the recommendations that have been made to the consignors in this series of articles accrue to the benefit of the buyer. You will be offered an outstanding representative of the seller's herd in optimum condition. In addition, the consignor's marketing effort should allow you to accumulate all of the information you will need to make an educated purchasing decision on sale day. If you need additional data, don't hesitate to ask. Finally, by participating as a buyer in a TAA consignment sale, you will have the opportunity to take your program to the next level with your purchase and help to insure that these venues will be available to you when the time comes to begin marketing from your own herd. When that time comes, we invite and encourage you to become a consignor in one of our sales.

We have all seen the bumper sticker "I wasn't born in Texas but I got here as soon as I could". Always carry this swagger when marketing your Angus cattle. The breeders who are in the seats at the next sale you consign to may not be heavily invested in our breed, but they are getting there as fast as they can. Don't be shy about telling potential customers about the cattle you have to offer. Take pride in your breed, your personal breeding program and your state and national associations. Together, we can keep Angus cattle at the top of the food chain.

The main thing is figure out what you goals are. Do you want to just raise and sell cattle or do you want to top every sale? If you are not sure what to do, call someone and get educated. This business is full of some of the best people in the world that are willing to help.

Source – Robbie Bean

Advice from a Fellow Consignor

Submitted by Steve and Laura Knoll, 2 Bar Angus, Hereford, TX

When you make the decision to sell one of your cows or bulls at a consignment sale, there are many things that will affect your outcome at the sale.

Demand is probably the biggest, but the big question is how to be on top at every sale. I am not sure anyone can do this without a little or a lot of luck. There are a few things that can help keep you from falling to the bottom of the sale. Even if you have something sired by the hottest

bull, have the best EPDs, and your animal is structurally correct, you can still fall short of receiving top dollar for your animal.

Presentation is very important. Clean, fitted animals and clean, neat pens help. Sexing the fetus of pregnant females will also help. We all sell cows. The people and services separate us from each other. The cattle are only as good as the people who stand behind them. It is easy to stand behind your cattle when things go right, but when things don't, it is equally important to stand behind them. Go above and beyond to make customers happy.

Let's talk about condition of the animal. Most people will tell you they don't want to buy fat cattle, but not many will buy skinny or poor conditioned animals. Your animal should not be obese, but in good shape. I think a body condition score of 6 is optimal for a sale animal. When we are getting ready for a sale, the biggest thing is not to start too late.

Pictures are very important. A good or great picture can make anyone who looks at a sale catalog a potential customer, but a bad picture will turn off buyers and cost you bids. Even if you have a great looking animal, we recommend you don't use a bad picture of a good animal. Trust your sale manager concerning pictures. Pictures are needed 45-60 days prior to sale date, so plan ahead. Have the animal ready and a photographer scheduled.

A nutritionist is very helpful in utilizing locally available feedstuffs and they can usually save you money. I am not saying to hire a nutritionist; there are several good ones available through the Extension Service. Big weight gain in a short amount of time can be harmful to the animals. We like to feed good hay to sale cattle to help them gain and avoid grain unless there is no other option. My favorite, if no high quality pasture is available, is wheat or triticale hay in the boot, but any hay that is at least 9% protein and 70% TDN (total digestible nutrients). Energy is also important.