

# WELCOME



Jim Wilson, partner



John Wilson, partner

Uncertainty has been a common word in the coffee shops during the past year. The cattle market has been directly tied to the economic woes experienced in most industries. The global economic recession and associated impacts have been felt at every level of the cattle industry — from steakhouses to exports. In order to help level the uncertainty in our business, we continue to focus on long-term relationships based on sustainability. We have many partnerships and relationships that have been keys to our past success and will continue

to play an important role. Examples of these are our relationships with our local farmers that produce feed, our ties to local potato processors and our relationship with the two largest packers in the Northwest. These partners help provide stability to our business and our customers.

We will be starting corn harvest this month and will be working with over 100 neighboring farmers in Nyssa, Boardman and Quincy that will provide local high-moisture and dry corn that will meet a large portion of our corn needs for the year. The local feed sources help to reduce the freight on feed ingredients.

Our continuing long-term relationship with Ore-Ida in Ontario will provide us with competitive potato by-products for many years at our Nyssa feedyard.

We are the largest supplier of fed cattle in the Northwest to Tyson's plant in Wallula, Wash., and have a very competitive grid based on the Midwest market.

These relationships have helped to build our cattle feeding business and will continue to contribute to our future success. Beef Northwest continues to look to the future knowing that "what goes down always comes back up" and we invite you to join us as we look forward to building sustainability and reducing uncertainty in the cattle business.

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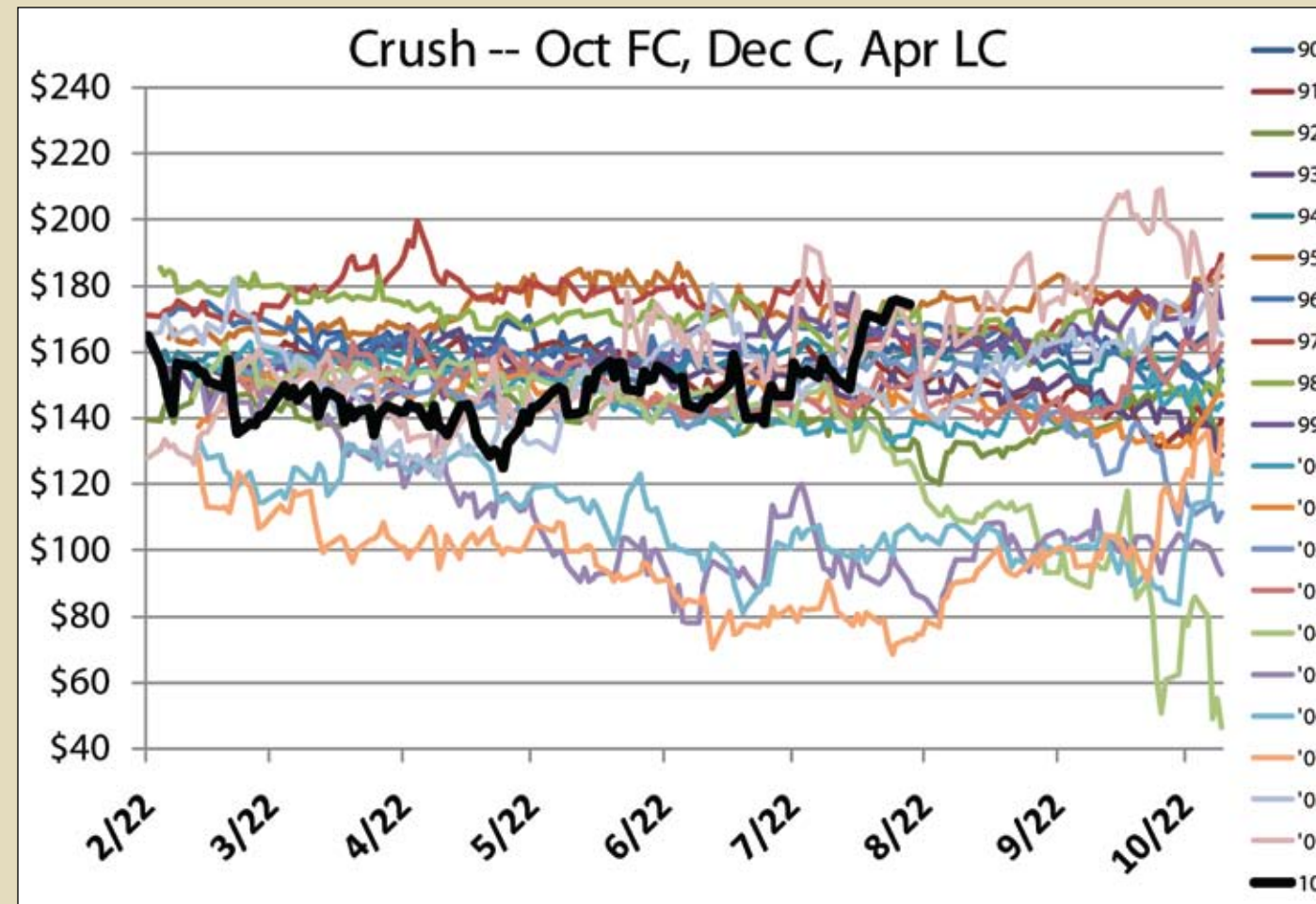
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## It's Time To Get Back In

The price correlation connecting feeder cattle, corn and fed cattle is called the cattle "crush" and is an indication of whether it is profitable to buy feeder cattle and feed them through the feedyard. The calculation uses cattle and corn futures prices and is called the "crush," because it is similar to the formula used with the relationship between soybeans and the meal and oil resulting from crushing the beans.

The chart shows that buying October feeder cattle (FC), buying December corn (DC) and selling April fed cattle (LC) futures is more profitable now than at any time since 1990. This is a real opportunity for anyone considering buying or retaining ownership on their cattle this fall. Call Ron Rowan and he can walk you through the process and show you how to figure your own "crush."



## Beef Northwest Supports Country Fairs

BNW has supported our local county fairs since the beginning. Our focus has always been to support youth working in agriculture within our local communities. This year we set the floor price on steers at eight county fairs and did the logistics, hauling, harvesting and collecting of carcass data. In addition to buying animals, several years ago we started a "Cash for Kids" program that gives every kid in 4-H and FFA that sells a steer at the fair a \$50 bill. The kids love it because it's cash in their wallet. We received over 700 thank you notes from the kids since we implemented this with the fairs, so we know they must be keeping it from mom and dad!



## Myron Painter: 36 Years Of Service



Myron Painter has been a dedicated employee at the Nyssa feedyard for 36 years.

Longevity is an understatement when we talk about Myron Painter "Paint." He has been feeding cattle at the Nyssa feedyard from the day it was built in 1973. Joe Albertson had a 10,000-head feedyard on Gamble Island in the middle of the Snake River below Nyssa when he decided to build the current BNW Nyssa yard "up on the hill."

Paint recalls the first load of feed that was delivered to the new feedyard. It came from the Island, and when it got to the top of the hill at the new yard the feed truck caught on fire and burned to the ground. Not a good way to start, but things have been rolling ever since. Paint has been driving feed truck and doing a lot of other jobs around the yard through two other owners and a renter prior to Beef Northwest's acquisition in 1991.

"If we need to know things like where water lines are buried or anything about the yard, Paint is a walking encyclopedia," says Barry Kane, yard manager. When asked about the changes he has seen over the years, Paint says, "The old feed trucks hauled 9,000-lb. loads and we now haul 30,000-lb. loads. We also used to grow a lot of cattle and the ones that were finished were much heavier than today's finished cattle."

Paint has seen a lot of changes in the way cattle are fed. He now has a laptop computer in his feed truck and feeding cattle has become more of a science over his 36-year tenure. But with all the technology and "know-how" it's nice to know there is someone with a seasoned eye, getting cattle fed the right way.

To read these stories and others please visit our website [www.beefnw.com](http://www.beefnw.com)



## Growing Cattle At Beef Northwest

Alternative feed sources have given Beef Northwest an opportunity to “background” cattle very competitively in addition to our normal finishing program at the Nyssa feedyard. We are accepting bawling or weaned calves and are currently backgrounding for customers.

This alternative can provide a lot of flexibility for ranchers by placing cattle in the feedyard and pushing them to an early finish date or feeding them a ration that will grow them at a slower rate. At that point, they can either be sold as feeders or retained until they are harvested as fed cattle. If a rancher wants to sell the cattle as feeders, while they are in the feedyard, we will buy them on the cash market or the customer can basis contract them and set their own price using the futures market. With our potato by-products, we can grow cattle very competitively. This would be a typical scenario:

Delivery Date	October 15
Weight	500 lbs.
Price	\$1.10/lb
Average Daily Gain	2.2 lbs.
Cost of Gain	\$.66/lb.
Breakeven at 825 lbs.	\$.9265
Finish Date	March 11



## Oregon Cattlemen’s Videos Available

Several Beef Northwest friends and customers are featured in a documentary produced recently by Oregon Cattlemen’s Association.

The video, titled “Oregon — Land of Contrasts,” features the environmental stewardship efforts of Bob Harrell, Harrell Hereford Ranch; Bill Moore, Moore Ranches, Inc.; Lyle and Dean DeFrees; Justin Jacobs, Riverside Ranch; Curt Martin, VP Ranch; and Mike Colton, Colton & Sons Ranch, Inc.

In February, it was shown to the entire Oregon state legislature, and it’s proved to be an effective tool for spreading the contributions ranching families make to the well-being of Oregon’s environment, wildlife and economy.

The video can be viewed on BNW’s website at [www.beefnw.com](http://www.beefnw.com). To order a copy of the DVD, please contact OCA at (503) 361-8941.



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