## Going Once, Going Twice…Here Come the Fall Claves: Michael Drotzmann

## Season 1, Episode 67

[Intro music]

**Kiernan Brandt:**

Welcome to Cattle HQ, a podcast from industry experts and progressive producers discussing cutting edge info about the cow calf sector to keep cattlemen and women in the know and positively affect their bottom line.

**Madison Kovarna:**

Welcome to Cattle HQ brought to you by South Dakota State University Extension. I am Madison Kovarna, a beef nutrition field specialist based out of Watertown. For our loyal listeners, I’m so happy that you’re back with us, and for those of you who are new here, welcome to the herd.

Today, I’m joined by Michael Drotzmann who is an auctioneer and field representative with Stockmen’s Livestock, Inc. in Yankton, South Dakota. I’m excited to have Michael on the podcast to share what’s he’s been seeing in the auction markets and ways we can capitalize on our cattle going through the market chain, and a little selfishly excited to catch up with him from college and just see what he’s been up to since we both left SDSU. I don’t want to steal any more of your thunder, Michael, but I do want to give you some time to introduce yourself to our listeners since this is the first time you’ve joined us here on Cattle HQ. Would you want to share a little bit about yourself, maybe that “origin story” of Michael?

**Michael Drotzmann:**

Sure, yes. Yes, I’m Michael Drotzmann, born and raised here, Yankton, South Dakota. Grew up, went to Yankton High School. Really involved in the agriculture industry from a young age. Got to start working with cattle, just like anybody else, a little family farm type of deal, crops, corn, soybeans, oats, alfalfa, and some cattle around here. Graduated from Yankton High School in 2019. During high school, I worked for Sioux Nation Vet Clinic and down here at sale barn most of my time is where I spent there with the vets here. After high school, went up to college at South Dakota State in Brookings. Played football for four years and studied animal science. I guess, enjoyed my time, loved the teachers and everything that I learned, and was excited to come home after college. Well, after in January of my senior year of college, I went out to the Western College of Auctioneering out in Bozeman, Montana. It was a week-long school program out there. Learned a little bit about auctioneering and marketing cattle, well, marketing anything, really, not just cattle. I really enjoyed that as well. Graduated in my class. I think it was 259 was my class there at the Western College. Then right out of college, actually, I ended up at Kimball Livestock for about a month, filling in for a guy there. They had us selling some seeds, so I was filling in for him, selling cattle at the Kimball sale barn, and then fortunate enough to land this job here at Stockmen’s Livestock here at my hometown barn here in Yankton. I guess, I’ve been there ever since. It’s been, in my third year now living on the family farm with my wife Danielle. Got some cows of my own. Doing a little bit of farming. I don’t know. Life is good. I guess, just keeping busy and enjoying what I’m doing.

**Madison Kovarna:**

It’s always good to hear when life is treating people well and I’m excited to - I’ve been excited watching your story of you travelling from, all the way from being interested in the auctioneer school to ending up at a barn that you really enjoyed and lets you live the life outside of the barn, too. I want to - I think where we’re going or what we had talked about in terms of planning this is just giving an overview of what the auction markets are seeing and things that maybe some helpful advice that you have from being behind the auction block for our producers to take advantage of, whether they’re selling cattle through a barn like yours or they’re maybe going a different route. The fall calf run will be here sooner than we think. I think it’s already crazy that we’re halfway through summer by the time we’re recording this. From that point, as producers get ready to send calves to market streams, what are some tips that you may have as someone who sits behind that auction block for folks when they get ready or they’re thinking about their market plans as they move forward?

**Michael Drotzmann:**

Yes. Well, I guess, when it comes down to it, whether you have a 10-head or a thousand-head, I think it’s very important to have your cattle as uniform as possible. When it comes to selling them, we want to sell a uniform set of cattle all the way top to the bottom, they, whether that be the same breeding or, and also, when you go in through it, talk about shots protocols, or vaccines, and how you are, how do I want to say this, and maybe cut this out when we go through it, being a caretaker, make sure we’re doing the same things for all these cattle, making these cattle uniform, and it makes it, our job easy. I guess, one rule of thumb that I always think with the sale barn, if you’re going to bring a set of calves to the sale barn to sell this fall, if you got time to put an ear tag in them, you should have time to put vaccines into them. These calves buyers really are interested if they have all the shots and all the work has been done, making your bull calves into steers and giving them all the shots and making sure everything is done that way and making sure the health of the cattle is first. If you got a sick one or two, maybe keep them at home and bring your best cattle to town and sell them in one group and be done. That’s not going to be the same for everybody, whether you have a 10-head or a hundred head. It’s going to change all the time. Yes, the fall run is really upon us. It’s coming fast. We’re going to start seeing a bunch of them, little light claves start to roll in here, and you’ve been seeing, or I’ve been seeing all these videos sales startup here selling these calves mostly from out west and all over and, for October-November delivery. It’s starting, and it’s hot. It’s just I think it’s going to go to nothing but tired, it’s like to think that this thing is going to stay good for quite a while and feel really comfortable with where you’re at right now. If you own the cattle, you own the cows, you’re in the driver’s seat. It’s time to cash in on all your hard work. You got 10 years, you might have three good ones, and that’s, it’s like baseball, it’s a good batting average. It’s time to take advantage as producers and make sure we got all the things done, all the boxes checked when you’re bringing these calves to tow].

**Madison Kovarna:**

I think, too, Warren Rusche and I were chatting the other day, and for those who are unfamiliar with Warren, which I found is a very small crowd, at least in South Dakota on this eastern side, but we were actually just talking about how this is maybe the year where we can play around with doing some additional investments. You mentioned it’s - we’re not looking at low prices coming in this fall, by no means at all. I think it’s just going to be a really interesting year to see what people decide to do, maybe some different choices they decide to make. One of the things that I’ve heard and it hasn’t left my mind, is you talked a little bit about making sure those calves are pretty much ready to go. Taking a lot of things off the buyer’s plate makes them more interested, such as those vaccines or castration or anything like that. It’s no different than when you go to the car dealership to buy a car. If you’re buying a used car from someone else, just like buying a calf essentially, that used car, you don’t want to buy a used car that requires you to immediately do an oil change when you get it or has a flat tire that you need to fix or those type of things, and it really can follow the same mantra when we’re selling calves and thinking about ultimately the feeders that are buying these, they want to have a calf that’s going to come and immediately take off. They don’t want to worry about that fine balancing act of doing all the additional vaccines and making sure those cattle stay healthy on that front. I really appreciated that you brought that up because I think that’s something that sometimes we maybe get stuck in the mantra of “Well, I’m not going to have any more. It’s not my problem,” but ultimately, that can bite us in the butt, too, as we move to get rid of them and move them on to their next phase. Calves are starting to come through the barn, like you said, whether that’s online through videos we delivered or they’re starting to show up and those really weaning situations, those lighter weight calves. Is there anything that might make these calves bring a higher price? I mean, you mentioned having that vaccination done, the castration, but have you seen, maybe in your short experience there down in Yankton, have seen maybe some differences between calves that are on a preconditioning protocol, bunk broke or, what are some things that sellers should even tell you to announce to the buyers in the crowd?

**Michael Drotzmann:**

Right. Well, see, so it’s - like you said, it’s about making a name for yourself. If you want a good reputation, you want to do all the right things, you take all the right steps. Well, I get to see it on an everyday basis or, in this case, when it comes to the fall, in every fall basis, so making sure your vaccine protocol is good. When it comes to weaning, I would say if you sell them right off the cow, that’s fine, but if you’re going to wean them, I would have them weaned at least 45 to 60 days before you want to sell them, so you get all the kinks out. Otherwise, I’m not saying anyone’s cattle are not good, but that’s the scary period. Probably, 10 days to 40 days is where bad things can really happen. If you’re marketing those calves and they go to somebody’s house, whether that be a farmer feeder or a big commercial feed lot, and they see some problems there, your name is probably going to be on the list that they don’t want to buy them again, and that’s, obviously, that’s not what I want as somebody who gets to sell those cattle and it’s not what you want as a producer selling. You’re basically selling your name, not so much the cattle. It’s very important to have all your ducks in a row, and it’s tough, market is so high, you could take the cash right now and be done and not worry about weaning them or sick ones or anything like that, or this feed is really cheap right now, people are getting feed put up super cheap and super effective to put these pounds on, it’s easy. Get the pounds on. The pounds are going on. Your costs of gains are very cheap. It’s very easy to make some money real fast if you can get some pounds put on these cattle. It’s a double-edged sword. Do you want the cash now and just, whatever, not have to deal with it? If you got a bunch of feed, I’d say it’s not a bad idea to feed them for a while. There’s a lot of things. I say, when you’re selling cattle at a sale barn, if you’re happy with the check that you get at the end of the day, you did the right thing. Whether that’s doing what you’ve always done, which those are dangerous words in this industry, or whether it’s doing something different and making sure it’s right and whether you got to feed or you don’t, you can’t be wrong as long as you’re happy with what you get at the end of the day.

**Madison Kovarna:**

That’s always a good mantra for people to remember as not, you’re not going to do the same management that your neighbor is doing. You’re not going to do what the vastly, you’re not going to do the same management as someone across state lines, and keeping that in mind of you’re making your business, you’re making your name, and if you do things a little differently than the person down the street or the other person bringing cattle the same day, sometimes that can work in your favor, and also there’s times that we can learn from other people based on the results that you may or may not see. In terms of weaning, you mentioned it of using that time to not only put extra pounds on them but just get them over that vulnerability for disease is the word I’m looking for, and getting those calves over that super stressful time makes them more appealing just across the board because those calves are going to come into a yard and take off, and that’s what those guys are in for, and if you can appeal to that part for them, it just makes it a lot easier on everybody’s mindset and you nailed it on the head, of feed is cheap right now, which I know a lot of our grain guys don’t want to hear us say that. I know a lot of corn producers are getting a little frustrated, not a little, probably a lot frustrated, which is the prices that are coming their way, but us cattle feeders, we need to take advantage of what the opportunities we have when we have them. We know these markets aren’t going to stay like this forever, so using that while we can to pad the checkbook a little bit and get some money to either reinvest or pay off some things or do that type of thing I think is really going to separate the high end of the markets versus those maybe lower receiving things as well. We’ve already mentioned, I mean, we’re in historic market highs right now, something that we haven’t seen ever, if at all. Have you been hearing or seeing any changes on where that market may be heading? I know there’s been rumblings that maybe heifer retention is taking off or starting to come back in, but at least from the auction block standpoint, do you have any insight whatsoever on what those markets are looking like and maybe what you guys are seeing on future trends?

**Michael Drotzmann:**

Yes. I guess, as far as there’s - Sec. Rollins is talking today about the border and that, well, we’re going to see what that all comes to. I don’t think this cash market is really going to hurt that much. It’s so good right now. I don’t have the crystal ball to tell me whether it’s going up and down and that’s so cliché because everybody says that, and really, who knows? Obviously, the producer right now is in the driver’s seat. You have the cattle. Hopefully, after, since the last two years, your cows are pretty much paid for. It’s time to reap your benefits. You’ve put in a lot of hard work. The price is good. Enjoy it while it lasts. This market, it’s, like you said before, it’s not going to stay forever. I think with herd numbers and the talk of heifer retention, I don’t know how true it is because there’s so many cattle, new crop calves already being moved on the video and that kind of thing is changing the industry, whether you like it or not. I don’t think it’s such a bad thing for us here over at Stockmen’s or in this part of the country, but out west, those barns, they just - I don’t think they’re going to see the numbers that they did in the last few years because a lot of these guys go into the video. You know what? I think it’s very important to get everything, get your ducks in a row, and take advantage of this while it’s here. There are many options to maybe protect your risk a little bit, whether that’s an LRP or working on the board or something like that. It’s just like crop farming, a little crop insurance goes a long way sometimes. You never know what’s going to happen, whether some hale or some crazy black swan event, so it’s, there’s a lot of things that can be done, but this market, it’s good. Just ready to take advantage.

**Madison Kovarna:**

I feel like, Michael, if you did have that crystal ball, you’d be making a lot more money than you are right now, so maybe keep… [Laughter]

**Michael Drotzmann:**

I wouldn’t tell a soul, so I’d maybe keep it for… [Laughter]

**Madison Kovarna:**

Maybe keep on the development of seeing if you can make something happen, because I think you could really set yourself up for some earlier retirement. Let’s figure that out.

**Michael Drotzmann:**

The world would be over if that was the case. [Laughter]

**Madison Kovarna:**

You mentioned that cattle inventory and those type of things were, are taking down, and we aren’t seeing maybe that rebuilding that we keep expecting to start happening. This is just a personal curiosity of mine in terms of the auction market. I mean, there’s less cattle available because we’ve got less cows in the herd in general, but are you feeling those effects when it comes to sourcing cattle or just number of head coming through the barn, or does it seem like it’s maintaining the same strength on that front?

**Michael Drotzmann:**

Sure. Yes. Well, being here at Stockmen’s, I’m very fortunate to be working with this crew and our leaders in Greg Ryken and Dan Koupal. They got a good team put together here and work their butts off, and it seems like it has nothing, it has not slowed at all at Stockmen’s, selling almost 400,000 head of cattle last year, and I’m sure we’re on pace to be well over that by the end of this year. I guess, I’m not seeing that in terms of numbers at the sale barns but I know just these other barns, you pay attention and it’s dried up. Not as many cattle coming in, and part of that’s the video and part of its whatever, selling them privately off the place instead, these big ranches and that, but you look at the inventory thing and it’s, who’s going to do the work? These big ranchers are maybe getting up there in age and ready to be done and their sons and daughters have moved to town or went a different direction because there wasn’t any room for them after college or whatever, so here we are in this position and it’s tough to get, as a young person, it should be easy but it’s tough to get into the industry and really hit the ground running right away, especially with input cost and interest rates where they’re at. That’s the tough truth of this industry is we’re not getting any younger and it’s tough for these young people to get in, but you know what, if, I think, and I truly believe, if you want to do it, it will happen. You can make it happen. It might take 10 years. It might take more. I’ve been fortunate enough to be put in the position I am with my operation here at home. You know what? If you want to do it, the opportunity is there, but it’s time that people start working for those goals.

**Madison Kovarna:**

I think, too, being a little bit bullheaded or stubborn works in a lot of people in agriculture’s venture of starting an operation or maybe finding someone who needs someone to step up and take things. I mean, a lot of our producers know it. They’re not getting any younger and need the young folks, not only like yourself but just really anybody interested to express that interest, and I think that goes a long way and I’m going to go a little bit off script, so hopefully I don’t throw you too far for a loop, but one of the things, too, that I know maybe some producers are interested in or aren’t really sure, is there a benefit to developing that, a relationship within, with the auctioneers that are at your barn or those representatives that maybe come out and look at your cattle and give you that auction insight as to what, is there maybe a benefit to that? Is there some rules of thumb to go about starting that relationship or starting that conversation? Is it something they shouldn’t do? Any insight on your side on that at least?

**Michael Drotzmann:**

Yes, absolutely. When it comes to the producers that we get to sell for at Stockmen’s, it’s very important to have a relationship, and to know who we’re working for. Don’t just call some guy and say, “Hey, I’m bringing you a hundred head of claves this week.” I want to come out there and look at them and know “Where’d you get them? Are they home raised? What’s all done to them? What’s the back story? What are you working for? I want to know everything about you.” Maybe it’s just a little guy, got 40 head of cows and he’s got three kids and he works a job in town. Those dollars that you make for those people, whether they’re big or small, they’re so important because you built that relationship, and it’s not always going to go good, but you know what, if you just work with the people, it’s great to have that relationship if you have the opportunity to talk to one of us at Stockmen’s or wherever you sell cattle. Have that relationship. You should trust the person that’s going to make that money for you. Yes, it’s very important to have a relationship. At the end of the day, when it comes to, especially there’s nobody better than Greg Ryken when it comes to trying to please people and always having your back. We’re going to work our hardest and we want to see a big smile on your face before you go home, and that’s worth more than anything to us. It’s not about the money for us. It’s about getting the most we can for you and treating our buyers right and treating out sellers right, because we’re working for everybody, and it’s very important to have that relationship. I want to know about you. I want to know your kids’ names. I want to know your dad’s name. I want to get out there and just meeting those people. That’s more rewarding than anything else. Then it’s important, definitely. I would suggest whether you have 2,000-head that you’re backgrounding or fat cattle or whatever, that you want to sell with us, let’s talk about it. Let’s get together. Let’s make a plan. Or before you buy those calves that you want to feed, and wherever you’re going to sell them or what you’re going to do, let’s make a plan about it, because we’re here not just to sell your cattle. We want to market them and we want to help you be successful in the process. It’s not just a selling firm. We’ll help you with anything if it comes to buying cattle, getting them bought right and getting the right cattle bought, I’m trying to help you out so you make the most money. It’s not about us. It’s about sellers. We’re always on board. We want to help the producers as much as we can and, like I said a few times already, having that relationship and just talking it out with the producers and the people at the barn. Make a plan. It’s important.

**Madison Kovarna:**

With that, too, going to an auction and having the auctioneer actually be able to tell your story a little bit appeals to everybody in that barn, whether they’re wanting to spend some money that day or they’re just there to watch cattle sell. Those stories are what bring people in, so I think being able to have your auctioneer be familiar with yours only works in your favor. We’re coming up on the end of our time together, Michael, which bums me out. I wanted to give you a couple seconds, if you wanted it to maybe closing comments or to sign us out before I formally sign us out, I guess, but any closing comments, thoughts, that you want to share with anybody who’s listening?

**Michael Drotzmann:**

Sure. Yes. Well, I guess, it’s, this is a fun time in the cattle industry. Everybody should be enjoying it. It’s tough. It would be tough not to enjoy it right now. If anybody out there has any questions about Stockmen’s, about selling cattle, anything, feel free to give me or anyone of us at Stockmen’s a call. We’re always, well, we typically always answer our phones and ready to go to work for anybody, so it doesn’t matter how big or small, if you’re interested at Stockmen’s, or just want to talk around a little bit over some coffee over the phone or whatever, we’re, that’s the kind of people we are down here. We want to help everybody out and just hoping everybody’s enjoying their time and staying safe out there, I guess. My number, if you’re listening ,is 605-760-9803, but you can visit our website at stockmenslivestock.com for any information on sales coming up or any of our phone numbers. I guess that’s all I got. Madison, thank you for having me on. I appreciate it. It’s good to catch up with you.

**Madison Kovarna**:

Yes, it’s been fun to have you back. I’ll be sure to plug that phone number and link to the website in the description of this episode, if anybody wants to have direct access to that. I will give Michael a round of applause. He’s very timely with text and very on time with phone calls even when I call him a little bit late. That definitely works in his favor of very responsive and he wants to get those cattle sold for you and make sure meet you where you’re at and those type of things. If it’s any consolation, Michael, I have nothing but good things to say and, unfortunately, we’re coming up to the end of our time together and it’s, like I said earlier, it’s been fantastic to finally have you on Cattle HQ. This has been an episode I’ve been wanting to do, and to bring you back to tell your story as well as give us a little insight of what you’re seeing and it’s, to me, it’s always interesting to get an inside look at what’s happening in the auction barns because, unfortunately, as much as I want to be there all the time, I can’t always make it to the sales, so getting to see and talk to you on, one on one, about what you’re seeing is always fun for me. With that, this has been Cattle HQ brought to you by SDSU Extension, headquarters for all things beef cattle. Visit extension.sdstate.edu for the latest beef information. That’s the final call for this episode. Sold to the folks still curious about cattle markets. I’ll catch you next time from behind the mic and Michael be right where he belongs, behind the auction block.

**Kiernan Brandt:**

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[Outro music]