

Dalebanks Digest

Fall 2015

Balancing Act

by Matt Perrier

Breeding cattle that fit today's beef industry has become quite the balancing act.

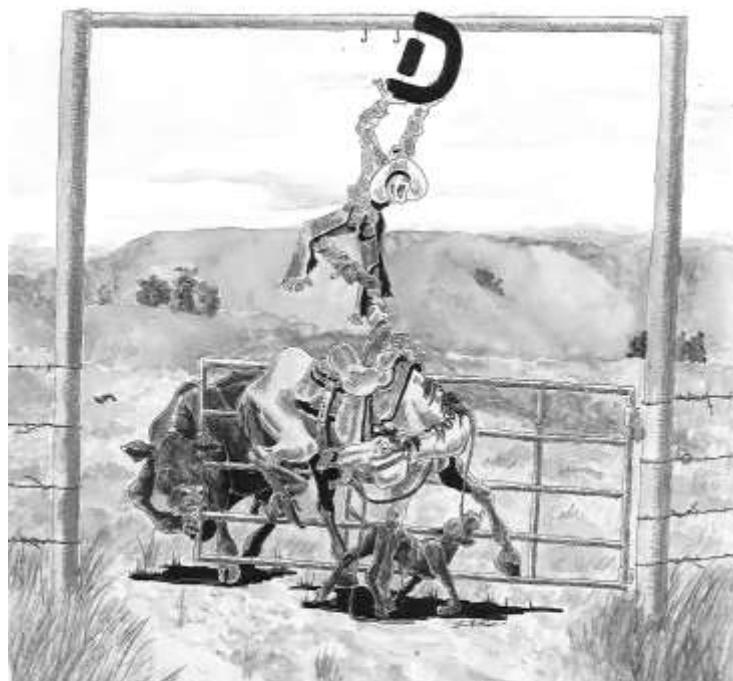
Fewer cattle numbers, cheaper costs of gain and increasing beef demand have all forced feeders and processors to push cattle to much heavier weights, demanding more genetic performance. Meanwhile, higher land costs and rental rates have caused many ranchers to maintain or reduce mature size in their cowherd. Weaning weight is always the topic of conversation at the sale barn café, while carcass grids indicate that dressing percentage, marbling and ribeye size are the drivers of dollars. But nearly every article written about cow-calf economics states that reproductive efficiency is the key to profitability across our business. And we haven't even begun to talk about the economic impact from traits such as calving ease, docility and structural or udder soundness!

While research literature tells us that these traits are not necessarily antagonistic, simple arithmetic tells us that with each additional area of emphasis, it becomes increasingly difficult to achieve "success" on all fronts. As we have stated in many past newsletters and conversations, when breeders only selected for one EPD trait (weaning weight, for instance), they could make rapid progress in a given direction. But with eighteen EPD traits, seven Dollar Value Indices, and countless other selection criteria not yet quantified by genetic predictions today, "genetic progress" in numerous traits is a demanding achievement.

For 111 years, our family has strived to mate and manage cattle that balance the many traits that affect profitability in the commercial beef business. With Dalebanks genetics being used across the nation, they must be adaptable to nearly all regions. Even within these regions, the management and marketing practices of our customers vary greatly, as well. So regardless of nutrition program, climate or marketing window, our customers expect the "Do-It-All" nature of Dalebanks genetics to give them the flexibility to manage and market their cattle as they see fit.

Reproductive losses, calving difficulty, poor feedlot performance and low-grading carcasses hurt the cowman's bottom line. It is not our goal to promise extreme performance in any set of these traits, but we endeavor to satisfy our customers with sound, docile bulls that maintain condition, get females bred, deliver calves unassisted, sire rapid early growth and meet grid targets. We also expect these bulls' daughters to be moderate-framed, sound uddered females who stay in the herd for many years.

Genetic tools today give us the opportunity to effectively produce genetics that can meet thresholds for many recorded traits. Most of the bulls selling



"Balancing Act" by Eric Burden, Dalebanks Angus Cowman

November 21 have been genomic tested, and this information is included in their EPDs. In addition, many of the bulls' dams have genomic profiles, as well. As in the past, all bulls have been weighed and measured for all EPD traits processed by the American Angus Association. These tools, coupled with the no-nonsense selection methods that we use in the management and selection of our cowherd result in consistent, honest bulls that should meet or exceed expected results in many traits of economic importance.

The 125 bulls in this year's sale represent the top end of 250 male calves born in the Dalebanks program in 2014. We look forward to your evaluation of these sound, rugged, hard-working bulls on November 21st!

Dalebanks-influenced cattle for sale:

700 bred heifers - Schepmann Angus Ranch
Known Genetics Sale, Oct 13, Holyrood, KS.
Ted Schepmann-785-810-8089

350 bred heifers – TA Ranch & Scott David
Most AI bred to Bismarck, cleaned up with Dalebanks sires
Tim Adams-785-210-6601, Scott David- (785) 965-2274

70 weaned steer calves, purebred Angus, December delivery, 625#. **Chad O'Neal-817-291-7729**

Wanted: *Contact Matt for details*

* 500# steer calves. Dalebanks-sired, October delivery. Stocker operation in NE KS.

* Young commercial fall-calving cows or pairs

Up, Up and Away

by Matt Perrier

We have received several comments in the past few weeks relative to significant changes in AAA Dollar Value Indices (\$Values) recently. We viewed this as a “teachable moment,” and no Perrier likes to miss one of these opportunities, so enjoy! ☺

Our first customer call about changes to their purchased animals’ \$Values came in mid-July. Their comment went something like, “These heifers we bought from you are a lot better this morning than they were when I last looked at their numbers.”

I answered frankly, “From a genetics standpoint, they’re no different than they were last spring. They just ‘look’ better due to favorable market conditions.” These cattle had not changed one bit. Their EPDs weren’t even significantly different. But the economic assumptions used to calculate \$Values had been updated the week prior, so this cattleman was curious as to why.

Before we get too far, let’s review the basics. **\$Values are multi-trait bio-economic indices that take into account an animal’s genetic predictions (EPDs) as well as the market levels for industry inputs and outputs.** Put simply, it gives us an idea of the relative differences of two sires’ progeny in potential profit (dollars), instead of production (pounds, etc). For example, the \$Weaning index will take WW EPD and a weaned calf price to determine revenue. It will simultaneously calculate feed energy prices and EPDs such as calving ease, mature weight and milk to estimate cow costs. \$Beef takes into account revenue drivers in the feedyard and processing segments such as YW, Carcass weight, Marbling and Ribeye area. But it also weighs costs of gain and efficiency EPDs, plus discounts for things like heavy weight carcasses, YG 4/5 cattle and low-grading carcasses.

Since the inception of the AAA \$Value Indices in 2004, beef prices have experienced annual increases. And with the exception of price surges from 2007 through 2012, average feed and forage prices have held fairly constant or even decreased in recent years. So even if genetics (EPDs) had not improved during that time, the \$Values would appear “better” due to these improving economic factors.

In their truest form, \$Values were designed to give commercial cow-calf producers a simpler way to make simultaneous change in multiple traits that affect their bottom line. The economic factors that are used had remained relatively constant for years prior to 2004, so few of us would have dreamed how quickly these \$Values would rise with the rapidly increasing prices seen over the last five years. But folks who like to use genetic predictions primarily as marketing tools (instead of selection tools) have enjoyed touting these ever-rising dollar values. Admittedly, a higher \$Value could be the result of improving EPD traits, higher levels of economic assumptions, or BOTH. But the sudden increases seen in July were mainly a result of updated economic factors in the formulae performed annually.

Now don’t get us wrong, we still believe that \$Values are powerful tools that can be used to better source genetics to make progress in commercial herds. **And with today’s price levels, \$Values illustrate that there are exponentially greater value differences between genetics that meet targets for gain, grade**

and other market drivers and those that fall short of these expectations for performance.

But we also caution users of these tools—especially those who may celebrate when they have increased largely due to market conditions—to be fully aware of the market side of this equation. If the cattle complex ever dips southward, the dollar value indices will follow. It will not mean that the genetics are “worse” than they were prior to these lower economic assumptions, it will simply be a more accurate reflection of market conditions at the time.

Provided their primary use remains as a selection tool to simultaneously compare two or more animals for multiple traits, there will be little confusion. We never like to be pessimistic, but the realist in us predicts that the rapid rise through the “100 \$B/50 \$W” thresholds was likely more pleasant than the potential retraction might be in future years.

Annual Bull Sale

Saturday, November 21, 2015

Selling 125 yearling and coming 2-yr-olds

Sale books will be mailed and available at
www.dalebanks.com in late October.

What’s In a Name?

By Matt Perrier

At a recent meeting of the Kansas Beef Council, I was introduced to the term “**Beef Community.**” While images of peace symbols and “wonderful, happy, shiny people” first jumped to mind, I soon realized that it was a new, kinder, gentler alternative to the term “*Beef Industry.*”

Ok. I can already envision a few hundred eyes rolling as this column is read, but bear with me for a moment, and adopt the perspective of today’s consumer. They have been told for years that “Big is bad, GMOs are worse, and food comes from a factory.” So what images come to mind when they hear the word “industry” alongside “beef?”

So don’t laugh as I attempt to change my lingo when referencing our livelihood. Regardless of what we call this way of life, I know that all of us will continue to respectfully care for our animals, handle them responsibly and sustain these family-owned businesses for generations.



Fall calving season is in full swing.

Bull Condition for Optimal Fertility

For optimal fertility, bulls should never be fat.

by Heather Smith Thomas, *Angus Beef Bulletin Extra*

Weight and body condition are important factors in whether a bull will be a good breeder. He needs proper fitness to be athletic, with the endurance to cover a lot of territory and breed a lot of cows.

"For a long time, I told producers that they needed to have bulls in abundant flesh because they would lose weight during the breeding season and needed some reserve. Then I saw an interesting study that was done in Canada, in some large community breeding pastures," says Dee Whittier, professor of large-animal clinical sciences at Virginia Tech.

The research was done by Glenn Coulter, who earlier measured the fat in bulls' scrotums and found that fat bulls are less fertile because fat insulates the testicles and keeps them too warm for optimum sperm production, and also hinders the bulls' ability to raise and lower the testicles to keep them at proper temperature. "In this particular study on community pastures, all they did was check backfat using ultrasound. Then they turned out 30 to 50 bulls in each pasture. They blood-typed the bull, cows and calves to tell which bulls sired which calves," explains Whittier. This way they could tell how many calves each bull sired.

He adds, "If you'd have asked me what was going to happen, I would have predicted that the really thin bulls wouldn't breed very many cows and the really fat bulls wouldn't breed very many, and that you'd want bulls to be in the middle. It turned out that none of those bulls were too thin to breed cows. The ones with zero backfat went out and bred the most cows. Now we realize there's a lot more danger in making a bull too fat than in having him too thin."

A fat bull is not as athletically fit, and he's more likely to hurt himself, just like an overweight, out-of-shape human who tries to exercise.

"The fat bull is not very athletic, and more apt to be lazy. I think body score 5 (with 1 being emaciated and 9 being obese) is fine for a bull; he doesn't need to be any fatter than that. A BCS 5 bull isn't pretty (he's in his 'working clothes'), but he will settle more cows than the fat bull. It is crucial that these bulls not be overly fat," says Whittier.

A yearling bull that's still growing may run himself ragged during his first breeding season and lose too much weight for his own health, though. It's important to give a yearling bull fewer cows or shorter turnout time, bringing him back in and giving him a rest before he loses too much body condition. It is important to monitor and manage bulls.

Having young bulls too fat when they go out to breed cows is not healthy for them and may limit their ability to breed an optimum number of cows, according to Whittier.



Beef Community Long Range Plan

By Matt Perrier

Anyone who has participated in creating a "long range plan" for a company or organization knows that the process is often long on thought and short on follow-through. Unfortunately, large amounts of creativity, vision and money are usually spent, but months later very few owners or members can even recall the mission statement or goals that were proposed.

Last July, I was privileged to attend the 2015 Cattle Industry Summer Conference in Denver. During these meetings, the new Beef Community Long Range Plan was unveiled, discussed and later adopted by the NCBA and Cattlemen's Beef Board Directors.

The sixteen members of the Task Force Committee who put this plan together over the past year are a "who's who" of the beef business, representing diverse segments, regions and perspectives on our beef community. They did an excellent job of sorting the wide array of factors influencing today's business and arriving at a strategic, yet easily understood plan to maintain a solid business climate for beef producers over the next five years.

The task force agreed the industry should strive to increase beef demand and established a specific objective to "increase the wholesale beef demand index by 2 percent annually over the next five years," which will require resources be committed in four core strategies:

- **Drive growth in beef exports**, a strategy that focuses on gaining access to key markets and promoting the unique attributes of U.S. beef to foreign consumers.
- **Protect and enhance the business and political climate for beef**, which begins with motivating stakeholders to become more engaged in policy concerns to improve the beef community's effectiveness in managing political and regulatory issues that threaten the overall business climate of beef production.
- **Grow consumer trust in beef and beef production**, including a critical focus on antibiotic stewardship, the implementation of a certification/verification program and continued investment in beef safety initiatives.
- **Promote and strengthen beef's value proposition**, a strategy designed to revolutionize beef marketing and merchandising; invest in research that allows the industry to communicate beef's nutritional benefits; capitalize on media technologies to communicate beef's value proposition; and respond to consumer-based market signals with product improvements and increased production efficiencies

If you have not already, I encourage each of you to read through the summary of this long range plan. Or for the complete Beef Industry Long Range Plan 2016-2020 report, go to www.beefusa.org.

Through initiatives such as Beef Quality Assurance, value-based marketing and new product development, our beef community has increased beef demand since 1997. Broad support of the concepts included in this plan should help us continue this demand growth and long-term profitability for the beef community.

Annual Bull Sale

Sat., November 21, 2015 * 12:30 pm

At the ranch, 3 ½ mi NW of Eureka

Selling **125 bulls**

50 coming 2's, 75 fall yearlings

Ultrasounded, fertility tested and ready to work

Sired by: Consensus 7229, Right Answer, Bismarck, Counselor, Composure, Prophet, War Party, Trust, In Focus 4925, Complement, Identity and others

This year's bull offering illustrates our family's 111-year commitment to balanced-trait, profitable bulls produced for the commercial cattle producer.

- Their EPD show that they excel in a **complete** range of AHIR-recorded traits.
- Their phenotypes indicate that they are sound-structured, moderate bulls that should perform well in a variety of environments.
- Bulls were developed on a forage-based ration and have spent the majority of their lives grazing native grass in the Flint Hills.

Spring Calving

Dalebanks Females

For Sale Private Treaty

20 Registered Angus Cows

Aged 3-7 years, excellent producers

Calving in April 2016

Invest in these balanced-trait, no-nonsense genetics, and put the Dalebanks Difference to work in your operation.

Contact us anytime...

The Perriers

www.dalebanks.com

Tom & Carolyn 620-583-6956 tperrier@dalebanks.com

Matt & Amy 620-583-4305 mattperrier@dalebanks.com



The coming 2-year-old sale bulls on their way back to Headquarters 9/11/15.

Dalebanks Angus

The Perriers

1021 River RD, Eureka, KS 67045

FORWARD & ADDRESS SERVICE REQUESTED