

BULL BUSINESS NEWS

Fall 2009

Low-Stress Genetic Selection

by Matt Perrier

If you have read an industry publication or attended a field day in the past year, you have likely been exposed to the notion of low-stress cattle handling, so I will not bore you with a refresher. I will testify that the Dalebanks crew has been implementing these techniques over the past three years, and they have been very beneficial.

One misconception with low-stress handling is that everything must be done slowly or without pressure applied to the cattle. In fact, pressing cattle...sometimes in quick fashion...is exactly what is needed. But it must be the RIGHT pressure at the RIGHT time.

Our idea of low-stress genetic selection is no different. We don't expect customers to sit back, close their eyes and throw darts at the sale book to choose their bulls. Our customers know their operations' needs better than that. They have the best ability to change the amount of "pressure" placed on certain traits as their marketing, management, or input needs change.

For example, as the long-term decision of retaining ownership and selling on a value-based grid is considered, pressure should be placed on end-product traits like marbling, ribeye area and fat thickness. Or as heifer retention rates increase and more heifers will be kept, calving ease and/or birth weight EPDs become the priority in bull selection for heifers.

By constantly culling the Dalebanks cowherd on fertility, longevity, udder quality, disposition and soundness, plus using highly-accurate AI sires for genetic progress, we strive to provide bulls that—top to bottom—offer our customers many options for their needs.

- The American Angus Association provides all of us accurate genetic information.
- The Perriers provide all the honest data collection, observations and advice we can provide.
- You, the customer, put "the right pressure at the right time" on traits to improve your profitability.

Now, all that is left is to come to the ranch November 21, and put *Low-Stress Genetic Selection* to work for you.

Private treaty bulls to be scarce

We seem to get more calls each year for bulls a few weeks after the sale. Generally, we leave some of the youngest fall yearling bulls out of the sale book in order to fill this private-treaty demand. However, because we sold most of our later-calving fall cows last year, we did not have that "younger end" of calves.

Therefore...**winter and early spring bull buyers take note**...if you plan to procure Dalebanks genetics for winter or early spring use, please do so on sale day, as we will not have many private treaty bulls this winter or early spring. If you cannot attend the sale, please contact us...we can work with you to select bulls that meet your needs...satisfaction guaranteed.

Annual bull sale: Nov 21, 2009

12:30 pm At the ranch, Eureka, KS
Selling 110 yearling & coming 2 year olds
See information on back page of newsletter.



Please contact us anytime...

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Swaters Value Proven Dalebanks System

By D. Russell

Risk can be an uncomfortable four letter word. Managing risk by decreasing the number of unknowns in an agricultural equation makes all the difference between being in the red or making money. The fewer unknown factors, the less the risk. The Swaters family of Montrose, Missouri understands the importance of mitigating risk at every stage of beef production. And, they've found a trusted partner to help them manage risk by taking advantage of a proven Dalebanks Angus system of known genetics, a vital exchange of information, and marketing opportunities.

The Swaters have their hand in every stage of beef production, as cow-calf producers who keep and feed their calves in their own feedyard before selling on a packer's grid. Their cow herd consists of two herds of Angus-based cows—one that calves in the fall and one in the spring. The Swaters follow a strict herd health regimen, vaccinating twice before weaning time. The calves are weaned weighing between 575-615 lbs. and then moved into the Swaters feedlot. The calves are implanted, except for the heifers kept back for replacements. While in the feedyard, the calves receive a home raised growing ration that includes corn silage,



Alan, Kevin, Joyce and James Swaters

ground fescue hay and protein supplement. During the finishing phase, rolled corn replaces the corn silage and they're implanted a second time.

Two generations of Swaters are active on the farming and beef operation. James is involved in the daily farming and cattle operation while wife, Joyce, does the bookkeeping. Two sons, Alan and Kevin, work alongside James on the farm. Son, Dennis, works off the farm and helps on weekends.

Known Genetics

The relationship with Dalebanks and the Perriers began in 1996, when Swaters bought their first Dalebanks bull. Alan knows many of the bulls offered by the Perriers are out of proven cows, which is something Alan highly values. He explains, "I like to buy bulls from proven cows who have had at least three calves. The cows they ET (embryo transfer) are proven. She's had multiple calves and she's proven she can produce a calf every year. The cows have it bred into them to be good mommas. Plus, Tom and Matt cull pretty hard."

Swaters evaluate phenotype and EPDs during their bull selection process. They keep and raise their own replacement heifers, so maternal characteristics are important. Alan states, "We try and buy calving ease bulls for heifers and those with a low birthweight EPD. Since breeding more Dalebanks Angus genetics into these cows, we don't have to babysit or assist cows with calving." Poor udders and unsound feet are two items Alan will not tolerate. Swaters' pastures include 100% fescue, which requires special management of both the grass and cattle grazing it. Since utilizing Dalebanks genetics, Swaters haven't had problems with udders. Nor, have they had near the foot problems, which increases the herd's longevity.

Because Swaters retain ownership, Alan also places heavy emphasis on the Marbling and Ribeye Area EPDs when selecting bulls. "We were having problems with our heifers generating too many Yield Grade 4s. We selected for larger Ribeye EPDs, which helped decrease our number of Yield Grade 4s. We've also been trying to increase our marbling scores. Since we've done this, our cattle have increased their quality grading performance," Alan explains.

Information Exchange & Marketing Opportunities

Information is power may be an old adage, but one that rings true each day in the beef business. Information capture, sharing, and application are competitive advantages in the proven Swaters-Dalebanks relationship. The valuable pipeline of information has helped the Swaters operation become more efficient in their bull selection process and created marketing success.

Sometimes, for various reasons, Alan can't always preview the bulls prior to sale day. He'll depend on Matt to provide some recommendations, depending on his needs. Alan explains, "I'll have some bulls chosen and we'll discuss which bulls would work best. Whenever I need a heifer bull, I'll call Matt and he'll recommend one. I don't want to mess with pulling any calves. I trust their ability to pick out sires that will work in my environment." Matt also provides disposition backgrounds on bulls as Alan values a mild mannered beef herd.

Retaining ownership in cattle isn't a task to be taken lightly. The genetics, nutrition and health regimen, and management details are vital to grid marketing success. Dalebanks' genetics have proven to work well on marketing grids and Swaters cattle have reinforced it.

When Tyson Foods, Inc. in Emporia, Kansas halted harvesting cattle in early 2008, Swaters were quickly left without a marketing outlet for their cattle. Dalebanks offered Swaters some of their U.S. Premium Beef delivery rights, enabling Swaters to not only have an outlet for their proven cattle, but to also capitalize on a unique, producer-owned marketing company and its grid. As a member and unitholder in U.S. Premium Beef, Dalebanks has access to the company's processing facilities in Dodge City and Liberal, Kansas and their exclusive marketing grid. Dalebanks has a limited number of U.S. Premium Beef delivery rights. However, they also have relationships with U.S. Premium Beef Qualified Custom Feedyards. *(continued on next page)*

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The more uniformity in a calf crop, the more marketing opportunity there is and less risk of grid discounts. On a group of cattle harvested in February through U.S. Premium Beef, Swaters earned a \$66.78/head premium [see Table 1]. The group of 40 heifers and 36 steers hot carcass yielded 64.3% and 97% graded Choice or higher. Nearly 70% qualified for branded beef programs, including 47% for Certified Angus Beef. Plus, 95% were Yield Grades 2 and 3.

A second group of 27 steers and 13 heifers harvested in March through U.S. Premium Beef also created similar results with Swaters earning a \$50.99/head premium. The group hot carcass yielded 64.8%, 95.5% graded Choice or higher, and 70% qualified for branded beef programs, including 55% qualifying for Certified Angus Beef. Also, 96% were Yield Grades 2 and 3.

Swaters age and source verify their calves by utilizing the American Angus Association's AngusSource program. The two groups detailed above both received a \$35/head age and source verified premium. "Whenever we can, we send them through U.S. Premium Beef. When we use up our delivery rights, we sell on National's grid. The age premium we pick up helps to pay for our freight to Liberal and Dodge City," Alan says.

U.S. Premium Beef recently announced it is extending its \$35/head premium for age and source verified cattle that are also verified as 20 months of age or younger for cattle delivered to their Liberal and Dodge City plants through May 29, 2010.

"Life's too short to chase after a wild cow," Alan stated, when referring to the importance of a cow's disposition. Life is also too short to not align oneself with a proven partner in the beef business who can decrease levels of risk. Why not take advantage of a time-tested, proven system of Dalebanks genetics, information, and marketing outlets? Alan summarizes, "If we have any problems, I can be straight with them. They'll make it right if it needs to be made right. They're not so big they won't listen to their customers. The entire Dalebanks crew is honest and they stand behind their bulls."

Swaters have recognized an opportunity, prepared their product, and capitalized on a system that rewards producers for a high quality product. Swaters and Dalebanks both understand their role in the food chain to deliver a desirable product to the consumer. A role they're happy to say makes good business sense, too.

For more information regarding U.S. Premium Beef, visit www.uspremiumbeef.com. To learn more about the AngusSource program, visit www.angussource.com.

Table 1:

	Yield	Prime	Choice	Branded Programs	Select	YG 2	YG 3	Premium (\$/hd.)
76 hd.	64.31%	7.45%	89.95%	69.53%	1.29%	25.37%	70.29%	66.78
40 hd.	64.80%	2.55%	92.97%	70.45%	0%	29.88%	66.18%	50.99

Babies, Baths and Curly Calves

by Matt Perrier

Amy and I have three kids aged six and under. We have one bathtub. Needless to say, the water on bath nights can get pretty rank by the time Lyle finally exits the tub. Last night, as I stood over our baby boy splashing sudsy, murky water across the bathroom, I was reminded of the expression, "Don't throw the baby out with the bath water." Consequently, I pulled the plug, let the water drain, and wrapped a towel around clean, young Lyle.

For the past nine months or so, the Angus breed has wrestled with two defective traits (*Arthrogyposis Multiplex*, AM, formerly named "Curly Calf Syndrome"; and *Neuropathic Hydrocephalus*, NH) that are inherited in a simple recessive manner. Like any simple recessive allele (red coat color for instance), it is another piece of the planned-mating puzzle that must be considered by cattle breeders. Incidentally, even though we at Dalebanks Angus unknowingly used several carrier AI sires in our breeding program, our family has never seen an affected AM or NH calf on our ranch.

Still, there are some folks in the seedstock sector who have decided that these defective alleles are the ONLY traits that should be considered when making selection decisions. They are choosing to throw away decades of genetic progress in the areas of birth to weaning/yearling growth and end product merit, simply rid themselves of an allele that cannot possibly be exhibited without mating that animal to another carrier animal.

As you will see in our upcoming sale book, we have included a small number of NH carrier bulls in this year's offering. These bulls will be sold at the end of each age division and will be clearly marked in the sale book. The decision to market these bulls received much consideration by our family. We believe in the free market's ability to determine value for any product. We therefore realize that these bulls' carrier status will likely affect their price. However, for customers who have not purchased potential NHC bulls (progeny of 1023 or Future Direction, primarily) in past sales, there is tremendous value in these genetics.

If you have questions about any bulls that you have purchased in the past, **please contact us prior to the sale**. It has always been our desire to assist customers with selecting the next "sire group" to introduce into their cowherd, and we are happy to assist in this important selection process.

But—as anyone who has tried to find a "steal" on a bull with excessive white on his navel can attest—don't wait on one in this group, as that "free market" might just surprise you!





FORWARD & ADDRESS SERVICE REQUESTED

Dalebanks Angus Ranch
1021 River RD, Eureka, KS 67045

Annual Bull Sale
Saturday, November 21, 2009 12:30 pm
At the ranch, 3 ½ mi NW of Eureka

Selling 110 bulls – 60 coming 2 yr olds and 50 fall yearlings
All ultrasounded, fertility tested and ready to work

Sired by: Retail Product, Nebraska, Objective, Predestined, 1023, Foresight, In Focus, Final Answer, Fintry, 5050, Net Present Value, i87 and others.

Average EPDs of the bulls selling:

CEd	BW	WW	YW	SC	Milk	CEm	Marb	REA	FT	YH	MH	MW	\$W	\$B
8	1.6	48	90	.31	24	8	.41	.29	.01	0.3	0.4	27	\$28	\$49

This year's bull offering illustrates our family's 105 year commitment to balanced-trait, profitable bulls produced for the commercial cattle producer.

- Their average EPD show that they excel in a **complete** range of AHIR-recorded traits.
- Their phenotypes indicate that they are sound-structured, moderate-framed bulls that should perform well in a variety of environments.
- The cowherd behind them demonstrates the ability to breed early in a real-world scenario, raise a sizable calf annually, and have the necessity (NOT "convenience") traits of udder quality, docility and longevity to stay in the herd for many years.
- The bulls were developed for roughly 100 days on a forage-based development ration at Sylvester Bull Development, Wamego, KS. The coming 2 year olds have spent the summer on native pasture.
- All bulls veterinarian-examined as sound breeders, vaccinated, poured, and ready to use this fall or spring.

Put these bulls to work in your herd and let the Dalebanks difference help improve your profitability.