

BULL BUSINESS NEWS

March/April 2007

Yearling Bull Management

*Abbreviated form of an article from the Spring 2007 Producer Education Edition of NCBA's National Cattleman
By Twig Marston, Extension Beef Specialist, KSU*

Managing bulls during the breeding season is more than opening a gate and wishing him "Good Luck." Bull to female ratio is a major concern. It is influenced by the size and terrain of the breeding pasture, size or weight, age, breed, and social behavior within a multi-sire breeding herd.

Several general rules can be cited. One of the most common is that a bull's age in months indicates the number of females he can service (up to 36 months of age) during a controlled breeding season of 45 to 60 days.

Length of Breeding Season

A maximum of 45-60 days is an ideal length of breeding season for yearling bulls. Ninety days is an absolute maximum. One method of saving wear and tear on a yearling is to turn him out after an older bull has been with the herd for the first one or two heat cycles. Some producers rotate bulls in and out of pastures to assure a lazy bull's mates can get covered by another.

Regardless of the management style, it is not advantageous to run yearling bulls with cows for long periods of time. They will waste a considerable amount of energy chasing cows and losing body condition instead of building up reserves for the next breeding season.

As an alternative, we sometime recommend gathering yearling bulls from pastures after 30-45 days, and leaving older bulls out to finish the breeding season. Young bulls tend to be overly aggressive breeders, and as the breeding season wanes and fewer females are cycling, they tend to repeatedly breed the few females in heat. This—coupled with the fact that they are already worn out from the previous weeks of running with cows—often results in injuries toward the end of the season.

After the first breeding season

Yearling bulls will probably lose 100-300 pounds during their first breeding season. In addition to gaining back this weight during their first rest, they must also gain enough body mass to achieve 75 percent of their mature weight by their second birthday.

To achieve this goal, a yearling bull usually needs to gain about 2 pounds per day during the nine months until his second birthday. In order to gain 2 pounds per day, coming 2-year old bulls **may** need to be fed 13 pounds of grain, protein supplement and a full-feeding of hay. A word of caution: do not try to bring a bull back too fast with too much grain because of risk of foundering him.

*Yearling bulls will require a higher plane of nutrition than older bulls. **This usually means feeding or pasturing them separately from mature bulls.** If treated in this manner, they should be prepared for full service in many subsequent breeding seasons.*

As a reminder to our bull customers, we wanted to reprint our guarantee for all bulls purchased from Dalebanks: All bulls are guaranteed breeders, and have passed a fertility test by a licensed veterinarian. They are also guaranteed against injury throughout the first breeding season, provided the recommended cow:bull stocking ratios are followed. If a bull is injured, Dalebanks will provide a satisfactory replacement, if available, or issue a credit equal to the bull's purchase price minus the salvage value received for the injured bull. This credit can be used in future sales or private treaty offerings.

We require that reasonable care and feed be given the bulls, especially as yearlings. This is not a life insurance policy but a guarantee of functional fertility.

Above all, please call us anytime to let us know about your bulls' overall performance.



You will note that we have reprinted several articles and excerpts in this month's newsletter. Most of these were topics we began to write about, then found overviews written by the "professionals," and opted to use their work. We'll continue to give you our thoughts on industry issues, but hope to highlight a few industry issues by reprinting articles like these in the future. If there are topics you wish to see covered, please let us know.

Cattle-Fax sees opportunity in high quality

Release provided by Certified Angus Beef LLC

It's a challenge to grow demand when the supply is limited.

According to Randy Blach, Cattle-Fax vice president, the beef industry puts its future in jeopardy when it ignores consumer preferences and limits the supply of highly marbled beef. He spoke at a seminar that CAB cosponsored last fall. "We've got 300 million people spending \$75 more per year for our product than they were in the 1990s. That's a heck of a story," Blach said. "The demand pool is coming to this higher-grade product, the upper two-thirds Choice and Prime." Today, about 50% of beef is sold through retail stores, down from 70% a generation ago, Blach said. As more beef is marketed through the restaurant trade, demand for higher quality heats up. Data analysis suggests that by 2010, foodservice may account for 55%-60% of all beef sales. "We're not putting enough high-quality product out there to go through that shift," he said.

Export markets also depend on higher quality, Blach said, citing the 2005 National Beef Quality Audit (NBQA). "The global standard for beef quality is described in five terms: U.S. Prime, U.S. Choice, Certified Angus Beef® (CAB®), U.S. beef and corn-fed beef," he said. "Does anybody see the word Select up there? It's not on the list." Blach said export opportunities will knock. "Are we going to have the product to be able to open that door and win back market share quickly?" he asked. Prior to 2003, exports accounted for about \$175 per head for the value of all fed cattle, he said. Today that number is \$95.

The market tells producers what kind of beef it wants, he said. During a three-year period ending October 2006, CAB premiums added as much as \$12.60 per hundredweight (cwt.) to qualifying carcasses. The CAB-Select spread was \$23 per cwt.

"Is there a high enough percentage of our population with enough disposable income that they're willing to differentiate and pay for this? The answer is loud and clear: 'Yes, absolutely,'" Blach said. The available premiums, along with discounts for poor cutability and marbling, further illustrate what the industry needs. "The market's doing a pretty darn good job of communicating these values all the way through the system," he said. Yet, the industry continues to fall short of consumer expectations.

"Each year for the past 10 years we've been between 52% and 54% Choice. Nothing's changed," he said. This nearly flatlined trend comes during a time of heavier carcasses and longer feeding periods, Blach said. "You would think that putting on much more weight in the feedyard would improve grade, but obviously we haven't done it." Part of the blame for yield grade challenges should rest on mixed market signals. From the early 1980s, when cattle all brought virtually the same amount, the price structure transitioned into premiums for Yield Grade (YG) 1s and 2s and later docks for YG 4s and 5s.

"The pricing system needs to come up to where we've got bigger incentives and bigger disincentives on both ends," he said. Blach expects higher corn prices to rein in the trend toward heavier, overfat cattle: "Economics drive the whole thing."

Looking to the future, Blach predicted the number of Choice cattle will increase, but only due to cow herd expansion and not an improvement in grade. That means the Choice-Select spread will continue to climb. "Over the last 16 years, though volatile, the spread has been trending upward with record highs last year," Blach said. He explained that shows higher demand for more marbling as it reflects less demand for Select beef. In addition to the NBQA, the growth in branded beef points to an increase in Choice and Prime demand. "Existing brands appear to be gaining strength in major retail and foodservice distribution, and new brands continue to appear," he said. "The market signal to differentiate has been clearly transferred to producers in the forms of premiums and discounts. Expect this trend to continue."

What a Run

Cow/calf producers have racked up ten consecutive years of profits for one of the greatest runs in profitability for this segment of the industry of anytime in history. Average per head profits during this last decade were \$85.50 per head for a whopping \$25.5 billion in total returns. Seventy percent of this total profit was realized during the last four years where average returns were \$151 per head.

-Cattle-Fax

For sale at private treaty

Late March-June

50 registered spring yearling bulls

Fertility tested -- ready to work
Priced from \$1250-\$3500
See brief list on back page

Mid-April

15 purebred spring open heifers

Vaccinated and ready to breed this summer

Mid-August

45 registered bred heifers

Most will calve late March-April 2008

Contact Tom or Matt for more information.

Ethanol's Effect on Marketing Time

Beef producers cannot pick up a publication today without seeing an article on ethanol production and its effects on livestock costs of production. Because we are not experts on the subject, we will not bore you with more analysis of this monumental challenge to the beef industry. Regardless of where corn prices settle in short- or long term, it is our opinion that the best way to deal with volatile, increasing feed prices is to remain flexible in your marketing time and management of your cowherd and weaned calves. Furthermore, try to keep abreast of market trends and availability of new feedstuffs for your cowherd...these technologies could result in significant cost savings.

One option to consider--at least in the near term—is to sell **heavier** calves or yearlings (to a point) than you may have marketed in the past few years. Yes, we realize that as recently as last June we encouraged producers in this same newsletter to market calves EARLIER, but that was during a \$1.80 corn market, and it was much cheaper to put weight on cattle in feedyards than on grass. A 200% increase in the corn price tends to invoke a change of management and thought.

If producers can source non-corn feedstuffs or ethanol co-products, this is obviously a good option for nutritional supplementation. In volatile markets like these, the best advice is to remain flexible in your marketing time. If you have established contact with past buyers of your calves or yearlings, CALL THEM. They will likely be able to give you a better idea of what their purchasing preference will be for this summer and fall. Stay abreast of non-traditional feeding opportunities to get more weight on calves before going to the feedyard. It *could* likely be to your benefit.

Just for Fun

In today's nonstop barrage of political maneuvering, presidential campaigns (years before the election even begins) and bureaucratic overkill, we dug out the following list of quotes coined by the late President Ronald Reagan. Whether you liked him or not, Reagan had an uncanny ability to cut to the chase and say a lot in 10 words or less. Enjoy the following "Reaganisms..."

"The most terrifying words in the English language are: I'm from the government and I'm here to help."

"I have wondered at times about what the Ten Commandments would have looked like if Moses had run them through the U.S. Congress

"If we ever forget that we're one nation under God, then we will be a nation gone under."

"The nearest thing to eternal life we will ever see on this earth is a government program."

"It has been said that politics is the second oldest profession. I have learned that it bears a striking resemblance to the first."

"Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

"Politics is not a bad profession. If you succeed there are many rewards, if you disgrace yourself you can always write a book."

"No arsenal, or no weapon in the arsenals of the world, is so formidable as the will and moral courage of free men and women."



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FORWARD & ADDRESS SERVICE REQUESTED

YEARLING BULLS AVAILABLE NOW

Here are examples of the 50 bulls we have for sale this spring.
 Contact us for details about these and the other spring yearling bulls.

Tag	Sire	Birth_date	Birth	Weaning	Milk	Yearling	\$W	\$F	\$G	\$B
6512	616	2/4/2006	+ 1.5	+ 43	+ 17	+ 78	\$26.48	\$20.90	\$13.85	\$32.93
6522	Extender 6012	2/5/2006	-0.1	+ 42	+ 21	+ 77	\$29.14	\$20.28	\$10.17	\$28.51
6534	616	2/10/2006	+ 1.4	+ 45	+ 17	+ 88	\$24.53	\$30.40	\$10.56	\$35.19
6559	Centennial	2/15/2006	+ 0.5	+ 40	+ 24	+ 78	\$27.47	\$22.08	\$15.33	\$34.68
6581	112	2/19/2006	+ 2.3	+ 46	+ 23	+ 91	\$24.52	\$33.13	\$15.13	\$41.26
6604	NEB	2/21/2006	+ 4.1	+ 51	+ 21	+ 94	\$23.62	\$34.25	\$18.27	\$45.61
6619	1023	2/22/2006	+ 0.2	+ 47	+ 21	+ 86	\$29.35	\$27.51	\$16.22	\$39.58
6644	1023	2/28/2006	+ 3.6	+ 50	+ 22	+ 90	\$24.71	\$30.46	\$21.09	\$46.62
6663	Future Direction	3/7/2006	+ 0.7	+ 38	+ 18	+ 72	\$25.07	\$16.80	\$22.84	\$39.06
6672	Game Plan 4561	3/9/2006	+ 0.2	+ 41	+ 19	+ 80	\$25.88	\$23.73	\$25.97	\$46.36
6677	Game Plan 4561	3/11/2006	-3.4	+ 33	+ 20	+ 64	\$27.18	\$10.76	\$27.25	\$37.29
6678	1023	3/11/2006	+ 0.4	+ 48	+ 16	+ 80	\$29.23	\$20.96	\$20.77	\$40.90
604	112	1/27/2006	+ 1.5	+ 58	+ 23	+ 99	\$34.10	\$36.67	\$21.43	\$50.07