

BULL BUSINESS NEWS

Spring 2011

The Growing Angus Advantage

Miranda Reiman, reprinted with permission - Certified Angus Beef LLC

After decades of genetic progress, this ain't your dad's Angus.

Evidence suggests the Angus breed has been developed since the 1980s to a point where crossbreeding may not provide a feedlot or carcass advantage. Two recent feedlot analyses, on more than 86,000 head, show Angus cattle beat crossbreds on feed, and data from the USDA Meat Animal Research Center (MARC) says the breed has caught up to Continentals in many growth traits. "The Angus breed has a lot of tools and research, and breeders have used them to select a lot harder," says Larry Kuehn, MARC research geneticist. "Take yearling weight for example, they're almost as high as Simmental and Charolais now and they've passed Limousin and Gelbvieh. There's been a tremendous amount of pressure there."

One report examined cattle fed at Decatur County Feed Yard, Oberlin, Kan. The Certified Angus Beef LLC (CAB) licensee tracked performance and carcass measures on calves in four groups. The straight bred Angus group had the highest average daily gain (ADG) at 3.53 pounds (lb.), compared to 3.32 lb. for those with less Angus heritage, 3.21 lb. for other breeds and 3.27 lb. for the unknowns. They also finished more quickly and did so at a heavier final weight.

TABLE 1. Effect of percent Angus on health, performance and carcass

	Low	Half	Three quarters	Straight
Percentage Angus	9.2 ^a	48.6 ^b	74.2 ^c	99.4 ^d
Days on Feed	175.2 ^a	169.1 ^b	167.4 ^c	163.9 ^d
ADG, lb/day	3.1 ^a	3.2 ^b	3.2 ^b	3.28 ^c
Health				
No. Times Treated	0.34 ^a	0.23 ^{bc}	0.26 ^b	0.23 ^c
Individual Treatment Cost (\$/head)	7.72 ^a	5.54 ^b	6.72 ^c	5.6 ^b
Morbidity Rate (%)	21.7 ^a	15.5 ^b	17.2 ^c	16.0 ^b
Mortality Rate (%)	1.73 ^a	1.1 ^a	1.45 ^a	1.7 ^a
Carcass Data				
Average Yield Grade	2.56 ^a	2.78 ^b	2.93 ^c	3.03 ^d
CAB* Acceptance Rate, %	8.9 ^a	15.8 ^b	16.7 ^b	27.3 ^c

Tri-County Steer Carcass Futurity data from 30,000 head on feed, 2002-2009
^{a,b,c,d} Means within a row with unlike superscripts differ (P<0.05)

An Iowa Tri-County Steer Carcass Futurity (TCSCF) analysis sorted cattle records into four groups based on sire and dam information. The more Angus breeding, the better the ADG. The range was 3.28 lb. down to 3.1 lb. for the lowest quartile. (See chart) The higher percentage Angus cattle spent fewer days on feed, 163.9 compared to 175.2 for those with a quarter or less Angus genetics. Both datasets also demonstrate the carcass quality that is a hallmark of the breed. "The classic example of bringing in another breed to achieve feedlot performance isn't necessary with the

selection tools we have for Angus and carcass merit and the feedlot component," says Sally Northcutt, genetic research director for the American Angus Association.

The crossbred expected progeny differences (EPDs), calculated by MARC since 1993, show a distinct trend in Angus genetics. "Birth weight is as flat as it can be, even a little negative, while yearling weight is just climbing," says Larry Cundiff, the emeritus geneticist who first published those EPDs. In this year's update, the average Angus birth weight shared the lightest spot with Red Angus at 92 lb., but yearling weight climbed to the third highest at 1,020 lb.—only 11.5 lb. less than Charolais.

"Angus has the best marbling by quite a bit," says Kuehn. "They have a little bit of a trend in ribeye area now."

The Association's database shows yearling weight has soared since its 1979 base year (zero) to +82 lb. in 2009. More than 30% of that came in the last decade.

"The Angus people don't think of their cattle as a terminal sire breed, but I do, because Certified Angus Beef and very effective selection for growth rate has put them in that position," Cundiff says.

Bob Weaber, University of Missouri geneticist, says many producers haven't evaluated that trend lately. "They don't recognize how much Angus has improved to close that gap in growth performance relative to the Continental breeds," Weaber says. "Taken by itself, a change in growth or lactation can be advantageous, but if the perception is different than reality, the cattle may not be managed to their genetic potential."

Larger, higher performing cows likely need more feed than their predecessors, Cundiff adds. To that point, the Association recently announced an EPD to target feed efficiency, and the residual average daily gain (RADG) measure will help producers select for better converters.

Reproduction is lowly heritable and tends to show the most heterosis, Weaber says. But the breed complementarity from crossbreeding Angus to continental European breeds may not have the performance advantage it once did.

"A highly superior breed in terms of one trait can beat its crossbred, if it's enough different than the average of the pure breeds," Kuehn says. Take marbling in the example of an Angus-Limousin cross. There is a full point difference in marbling EPDs between the two breeds. "Even if the crossbred has better marbling than the average, the Angus is still going to beat the crossbred," he explains.



And the Survey Says...

Last fall, we released an online survey to gauge cow-calf customers' preferences when purchasing bulls. While the responses were not overly surprising, they spoke volumes about the straightforward, business mindset that Dalebanks customers employ when selecting their genetics and their genetic provider(s). Below are some of the take-home messages that we interpreted after analyzing the data:

- The highest-ranking score went to "Breeder honesty and integrity." *We could not agree more.*
- Calving ease, weaning weight, milk and yearling weight remain as first-tier traits when selecting genetics.
- Daughters' fertility, udder quality, docility and soundness were the focus in terms of genetics best suited for production of heifer replacements.
- EPDs and indexes (compared to weights, ratios and phenotype) were clearly the most relied-upon traits used when selecting bulls.
- The "perfect bull" descriptions varied widely, but most indicated similar preferences: Big footed, docile, sound bulls with a balance of profit-driving EPDs and frame size to best match the environment in which they'll need to work.
- Progeny marketing assistance, bull health information and legible freeze brands topped the list in the "service" category.

At the risk of sounding dismissive, this survey will not likely result in any sweeping changes to our breeding or management philosophies at Dalebanks. A few subtle adjustments might take place in some areas of customer service and communication, such as coordinating with more feeders and processing companies to stimulate more demand at marketing time.

But from the standpoint of trait selection, this survey supported the breeding priorities that we have employed for years—in this order of their effect on our customers' profitability:

- #1 Reproductive efficiency**
- #2 Sound structured, good uddered, docile temperament**
- #3 Moderate to exceptional calving ease**
- #4 Optimal weaning and yearling growth (to achieve maximum growth and efficiency in varying environments)**
- #5 Solid end product merit**

In the mid-1990's, Dr. Tom Field (then at Colorado State University) stated that seedstock providers should employ their commercial customers to select their sires and cow matings for each breeding season. Given the size of the Angus database and the fact that the breeding decisions made today will result in bulls that will be sold in 2013 or 2014, it has been our observation that very few of our customers today wish to make those specific genetic selection decisions. However, by receiving your constant input on traits that drive the most profitability into each year's calf crop, we are essentially doing exactly what Dr. Field suggested.

For us to best do our job, we need that continued input from you. We'll do all that we can to improve this process, but we ask that you call, email or come by to visit anytime. We hope that each

conversation is beneficial to you, but you can rest assured that your input is very beneficial for us.

In an attempt to maintain a steady stream of communication with our customers, we hope to update our website more frequently. In addition, Matt has (somewhat begrudgingly) opened a Facebook account, and this will primarily be used to update customers and counterparts about goings-on at Dalebanks. For you FB'ers out there, feel free to "Friend" us or simply drop an email to mattperrier@dalebanks.com anytime.

Through these methods (as well as our preferred standards such as phone or face-to-face conversations), we hope to improve the information exchange that is so important to our operation.



2011: Largest Offering To Be Sold

2011 should mark the largest number of bulls to be sold in the history of Dalebanks Angus. In an effort to supply an increasing number of customers with some of the nation's most balanced-trait genetics, we doubled the number of embryos flushed from the **top six** of Dalebanks cows in 2009.

Even after employing our rigid culling matrix at weaning and yearling times, we should still increase numbers of top-quality bulls in both our spring private treaty and fall auction sales. It bears noting that even with this increase in quantity, the EPD profiles and performance of the bulls continue to simultaneously improve in nearly every trait. As we promised when we began this process two years ago, we refuse to simply increase quantity at the risk of decreased quality. With the assistance of embryo transfer, we believe that we have raised the bar on both quantity AND quality. More bulls = More selection for our customers!

These continued genetic improvements may first be witnessed in our private treaty offering beginning in late March. Customers are already inquiring about this solid group of breed-leading genetics, so call or email to receive information as soon as it is available following yearling data collection! These bulls will be fertility tested and ready to go to work this summer.



Mike Rowe: Farmers Need To Be Their Own Advocates

Reprinted with permission, American Farm Bureau Federation

Farmers became a big part of “Dirty Jobs with Mike Rowe” when Rowe took offense at the saying, “work smarter, not harder.”

“What a silly way to separate knowledge from skill,” Rowe told attendees at the American Farm Bureau Federation’s 92nd annual meeting in early February. Rowe decided to celebrate people who work both smart and hard and knew farmers and ranchers do both. “It seems like every time I go to a farm, there’s some type of issue,” he said, recounting what happened after three farm episodes aired.

On his series “Dirty Jobs,” on the Discovery Channel, Rowe helped a hog farmer with an operation near Las Vegas gather leftover food from casinos, which the farmer cooked and then fed to the hogs. PETA wrote to him, concerned that the warm food was harming the animals.

Before a visit to a Craig, Colo., sheep ranch to assist with castrating lambs, Rowe asked the humane society about the preferred method for the procedure and was told how to use a rubber band to accomplish the task. However, he learned that the lambs recovered quickly after the ranchers’ method of clipping and extracting the genitals but would be in pain for up to two days if rubber bands were used. “I saw with my own eyes that it was a kinder, gentler way to do it for the lamb,” he said of the rancher’s procedure. That got Rowe to thinking: if these experts and agencies were wrong about what they saw on “Dirty Jobs,” what else were they wrong about?

American farmers are surrounded by angry activist groups, each with its own agenda, he said. “Our country is asking you to do more with less every single year and I see a lot of other agendas pushing at you. The rest of the country needs to understand what you guys do on a day-to-day basis. We are not sufficiently astounded that you guys feed [the world] every day.”

Rather than a spokesman, agriculture needs lots of advocates, Rowe said. These advocates can each use their talents to tell their story. He cited Troy Hadrick, a Farm Bureau member in South Dakota whose YouTube video attracted the interest of a furniture company owner who now sponsors a Nascar entry that promotes agriculture during races.

Rowe himself has produced two “brown before green” specials that showcase farmers’ care for the earth. “You find a farmer and scrape off the dirt and you’ll find one of the greenest people on the planet,” he said. Saying he was flattered to be called a spokesman for agriculture, he told Farm Bureau members, “I believe ...that you are your own best spokesmen.”

Food Inflation Fears

Originally published in Grass & Grain

by Matt Perrier

The mainstream press has been giving significant amounts of attention to agriculture lately. Unfortunately, it has not always been positive. With increasing population and improving economies globally, demand for U.S.-produced food is on the uptick. Plus

dry, variable La Nina weather patterns have driven global production estimates and grain stocks lower. Couple these factors with increasing use of grains for energy production, and the supply/demand curve indicates one thing: higher agriculture commodity prices.

Yes, we hear of food riots and uprisings globally, but many news items focus on domestic prices in U.S. retail stores--where we have spent roughly 10% of our annual income on food for decades! Estimates vary depending on levels of income, but Americans’ expenditures for food have increased between 10- to 15% since the beginning of the trend in 2007. *This equates to a one- to three percent increase in terms of total household earnings spent on food.*

As food producers, America’s farmers and ranchers fully understand the effects of increasing costs with stagnant or decreasing incomes. We continue to find ways to improve our efficiencies of production. We adjust priorities and make tough decisions. And it will become increasingly important to continue our businesses with this mindset.

But during this pivotal time in production agriculture, we must also do something else. We must continue to tell *our* story to help shape consumers’ perception—both within the U.S. and abroad. Our costs of production have increased exponentially over the past several decades. No articles were written about “farm riots” when costs for fuel, fertilizer, land, equipment, seed and other inputs rose steeply. We buckled down, made appropriate decisions pertinent to production levels, and assumed the risks of our occupation.

Now, this is not a time to become flippant of others’ struggles. Farmers and ranchers have always been a compassionate bunch, and we need not change that character. But as we hear from consumers about 10- and 15 percent increases in food prices, let us reinforce that the past four years’ food price increases are the first significant increases since the 1980’s. During that 30 year span, farmers’ costs of production have skyrocketed.

And most of all let us recall the following: None of us like to think of price increases, but it is imperative to maintain our food production infrastructure in the U.S. Over the past twenty years, Americans have become increasingly concerned about our dependence on foreign oil...higher levels of “foreign food” will be worse.

American farmers and ranchers still produce a life-sustaining product domestically. As increasing numbers of careers in the U.S. become focused on creating a service or luxury item, ag producers still walk out the door each morning with one mission: to efficiently raise products essential for life itself. We should not need to apologize for commodity prices that might finally bring our wages close to average annual incomes of our urban and suburban counterparts. Let us continue our goal of efficiently producing the most healthful, wholesome, reasonably-priced food in the world. But let us also remind our consumers of the continued demands that costs of production place on our bottom line. And by the way...America’s farmers continue to purchase nearly all of their “higher-priced food” from the same grocery stores as everyone else.

Calf Producers In For a Good Run

Reprinted with permission by CattleFax - TRENDS

Cattle feeders and stocker operators face some very tough decisions. Decisions regarding inventory management, risk management & capital requirements will be perplexing. The uncharted level to which the market has gone has created a jumpy environment that has more questions than answers. Calf and feeder cattle prices are trading at levels never before seen, combined with costs of gain that have risen sharply.

At the root of all of this is a feeder cattle and calf supply that is extremely tight and getting tighter. Margin operators are trying to position themselves to have enough inventories around to have a hand in the market going forward. Many are contemplating the consequences of running at smaller occupancy rates, due to the lack of inherent profitability and/or the ability to compete when buying feeder cattle and calves.

Optimism for higher prices is plentiful over the next several years due to smaller supplies, robust exports, global and domestic economic improvement, etc.

Bottom Line: Buying decisions will be some of the toughest decisions made over the next several years. **Feeder cattle and calf producers will have leverage in the market.** Competition for numbers will be commonplace and even if the industry decides to expand now, those cattle are two years away from being available. Things look very positive for producers and yet their selling decisions will be just as important.

Now is not the time to take anything for granted, but the time to gather as much information as possible so each and every decision is a sound one.

Note: CattleFax "TRENDS" is a monthly newsletter focused on cow-calf sector. At just \$ 40 /year, this is a great marketing investment during volatile markets like these. Call 800-825-7525 or www.cattlefax.com.

60 Private-Treaty Bulls Available This Spring

Sires include **In Focus, Final Answer, New Standard, Net Present Value, K205, Lead On 5165, Predestined 5925** and other balanced-trait sires. Plenty of calving-ease bulls for heifers, plus high-performance genetics for cows.

Bulls available for selection after March 20 on a first-come, first-served basis. Contact Matt today to receive information on this high-quality set of bulls as soon as it is available. They will be freeze branded, vaccinated and fertility tested in late March and ready for pick-up by April 1. *Call or email to receive more information and make your selections*

**** Dalebanks Females for Sale Private Treaty ****

Select groups of open spring heifers and bred fall females will be available throughout the spring. Call Matt for info.

Annual Bull Sale: Saturday, November 19, 2011

Selling approximately 140 yearling and coming 2 year old bulls

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

The Perriers
www.dalebanks.com

Matt & Amy mattperrier@dalebanks.com
620-583-5033

Dalebanks Angus Ranch
1021 River RD,
Eureka, KS 67045

FORWARD & ADDRESS SERVICE REQUESTED

