

BULL BUSINESS NEWS

Winter 2008

Quality, efficiency work together

Reprinted with permission from Certified Angus Beef LLC.

Producers can select cattle for carcass quality and feed efficiency at the same time. That's the good news shared by Mark McCully, Certified Angus Beef LLC (CAB) supply development director, at a recent CAB seminar series.

"Quality grade and feed efficiency aren't genetically correlated," McCully said. "That's pretty exciting because it's not an either/or situation. You can select for both." The excitement is about not having to choose between two traits that each play a big role in profit.

Quality grade offers premiums not only in the Choice-Select spread but also between Choice and CAB-qualifying cattle. According to the National Beef Quality Audit (NBQA), the industry is losing \$27 per head, simply because it continues to fall short of the quality mix end users want.

"That \$27 quantifies the value you're missing, from a quality standpoint," McCully said. "From a brand standpoint, the limitation of our growth has been supply, and failure to meet the marbling specification is the most common reason cattle don't qualify."

The profit potential in higher quality has increased in recent years of higher Choice-Select and Choice-CAB spreads. But quality isn't the only trait affected by current market conditions. With high corn prices, the cost of a pound of gain is up. That makes feed efficiency more important.

"When you plug in the numbers with \$4.20 versus \$2-a-bushel corn, it amplifies the difference in value between the top third of cattle and the bottom third," McCully said. The top cattle used to be worth \$39 more per head than the bottom third, he noted, but now their value advantage has doubled, to \$78.

So, what is the difference between top and bottom cattle in the feedlot?

"Obviously, if you're managing them all the same, genetics has an awful lot to do with it," McCully said.

Marbling is a highly heritable trait, with 40% based on genetics. "It's pretty well accepted that Angus cattle typically have that genetic ability to marble better than other breeds," McCully said. "The bottom line is, as you stack the percent Angus, you get a lot more Prime and high Choice cattle. You also see a lot fewer Standards."

McCully reminded attendees that there is a difference between Angus cattle and all black cattle: "The marbling benefit comes with the Angus genetics, not the black hide color."

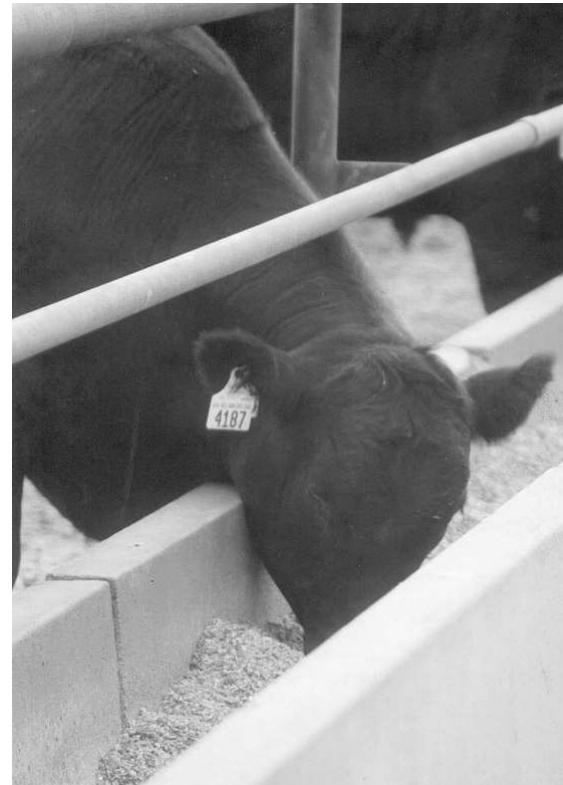
While there is less data on feed efficiency, it shows differences based on breed and biological type. Feed efficiency is positively correlated with postweaning gain and average daily gain (ADG), two traits that Angus cattle have greatly advanced during the past 15 years.

However, there is no correlation between marbling and feed efficiency.

"They aren't mutually exclusive traits, and that's a positive thing," McCully said. "Producers can select for both." This is especially important considering current market conditions.

"With corn price up and the high Choice-Select spreads, genetics are more correlated to profitability than before," McCully said. "As a feeding industry, we need to realize that and plug it more into our equations than we have been."

He reminded producers that genetic selection for quality and feed efficiency is not enough. "Genetics must be combined with good management and marketing to reach their full profit potential," McCully said.



*There are an infinite number of “value-added” programs promising to return premiums to cow-calf producers. Many of these certainly do reward cattlemen for producing beef that meet or exceed their targets. However, the common denominator for nearly ANY of these programs in the future will likely be one simple thing: **an official premises ID number for your ranch.***

Top Ten Reasons For Registering Your Premises

Reprinted with permission from the American Angus Association

1. You Are Protecting Your Herd's Health And Your Investment

Your herd represents dollars on the hoof. It represents a big investment. One of the best ways you can protect your herd is by participating in the National Animal Identification System (NAIS) Premises Registration Program. This cooperative program between government, producers, states and organizations like the American Angus AssociationSM ensures you will receive notification and help as fast as possible.

2. It's Voluntary And Confidential

The NAIS – a program developed by the United States Department of Agriculture and supported by the American Angus AssociationSM – is confidential and in the best interest of cattle producers and consumers.

3. It's A FREE Management Tool

By being a part of the premises registration program of the NAIS, your opinion about how the system is working is actively sought...and your ideas for improving it are listened to!

4. When You Need It – Help Is Ready

The fact that you have registered your premises means that help will be available as soon as you need it with the full force of the USDA, NAIS, and the best veterinary medicine minds available to help you.

5. It's The Right Thing To Do

Registering your premises ensures you will be notified ASAP and you will get the information you need to address the situation with the least amount of delay!

6. You Get A REAL Competitive Advantage

Registering your premises helps animal health experts respond quickly to a disease occurrence, assuring both domestic and international markets that the Angus breeders are on the cutting edge of technology.

7. You Can Be Proactive, Not Reactive

Add your name to the 410,000 plus eligible livestock producers who have already registered since the USDA implemented the National Animal Identification System in 2004. The American Angus AssociationSM is on record as supporting animal identification. As the largest beef cattle breed organization in the world, we have a reputation of being leaders in animal health and global marketing, both of which depend on a system of animal identification.

8. You Will Be Part Of An Important Partnership

The NAIS is a unique state-federal-industry alliance, largely shaped by the states with the cooperation of producers who support and use the program, their respective organizations and the livestock industry. It is in your own best interest and that of the end consumers to belong to this partnership.

9. It's Easy!

The one page (front & back) registration form will take you about five minutes to complete. The form can be mailed to the Angus Association or returned to your county extension office or your veterinarian. You can also register your premises online at www.angus-nais.org. **Kansas producers may choose to contact the KS Animal Health Department at 785-296-2326 or www.kansas.gov/kahd.**

10. You Should Be Informed

Food and agriculture biosecurity are important components of this program. Improving awareness through enhanced outreach and communications is a key element to the success of this program.

In many states such as Kansas and Missouri, it is disappointing that so few of our livestock producers have taken this FREE, SIMPLE first step to garnering more value for their cattle in the future—not to mention reducing their herd's susceptibility to market effects from a disease outbreak today!. We hope that each of our customers will register their operation(s) as soon as possible so we can be better prepared in case of a disease outbreak or threat.



Which flock are you flying with?

By Troy Marshall

Reprinted with permission of BEEF Cow-Calf Weekly and the author

There's an old saying that is amazingly accurate: "Birds of a feather flock together."

There's a coffee shop I drop in at from time to time -- a gathering place for the farming and ranching communities of this small town. What's interesting is that the coffee shop is decidedly divided.

Depending on your perspective on life, you sit on one side of the room or the other. I suppose some would argue it's a political divide, but the reality is it's more a division based on perspective.

- The one group consists of the optimists -- they're excited about the future, talking about expanding and of doing things a better way. They're passionate about the future and it shows.
- You could term the second group as pessimists -- they see the past as being better than the future. They're as passionate as the optimists, but believe the system is broken and their future rests on changing the system first.

What a difference those perspectives make. The one group seemingly is doing quite well; the other is struggling. They're both creating a reality that aligns with their beliefs. That's what is so ironic -- both sides are 100% correct in their views, and they validate them every day.

I sat down the other day and listened to the conversations occurring on each side of the room, and realized just how determinative membership in these viewpoints was relative to what was going to happen for them in 2008.

The greatest opening of any book may have been written by Charles Dickens in his book; "A Tale Of Two Cities": -- "It was the best of times, it was the worst of times." Take a moment and ask yourself, "Which flock am I in, and where is my flock really headed?"

Have you ever noticed, in whatever profession you look at, how close-knit the fraternity is at the very top, and at the bottom for that matter? Or how often do you read about a group of friends since childhood who went on to achieve huge success in vastly different areas?

There's a reason for that. One group believes in possibility, which encourages one to unleash his/her potential. The other is grounded in limitations and encourages one to embrace mediocrity.

It truly is hard to soar with the eagles when you're roosting with turkeys. Who we choose to associate with isn't an indication of who we are, but who we aspire to be.

We are very glad to "fly" with you, our customers. Your optimism and excitement about future opportunities help us continue to dedicate the energy and time to breed genetics that help us all improve the beef industry's profitability.

THANK YOU!

New Year's Resolution: Develop a grazing plan

Reprinted with permission from American Cowman

With a new year upon us, University of Nebraska Extension forage specialist Bruce Anderson suggests that looking ahead and planning out your grazing needs is an essential ingredient to a successful grazing season. He says, "If you have cows, ewes, or other livestock that can graze year-around, one of your goals should be to graze for as many days during the year as possible. But no matter where you are, no single pasture can meet that objective."

Anderson explains that warm-season range grasses provide good summer grazing in some areas, but more green grass would be nice in early spring and for late fall grazing. For lots of livestock producers in many other places, though, smooth bromegrass, wheatgrass, needlegrass, orchardgrass, fescue, and other cool-season grasses grow well in spring and fall but mid-summer pasture often is limiting.

To overcome these pasture shortages, you need to have several different types of pasture available. For example, warm-season grasses like the bluestems, indiangrass, blue grama, and switchgrass provide excellent summer pasture. Match them up with other, separate, pastures or meadows that contain cool-season grasses for spring and fall grazing and you will have a good, long grazing season.

To extend grazing even further, plant winter wheat, rye, or triticale next fall to get pasture as early as late March. And oats planted in late July or August can be grazed through November, while turnips often provide pasture into December or even January. Don't forget that alfalfa and corn also can be grazed effectively throughout much of the year, giving you even more options for timely pasture, says Anderson.

He concludes, "Start looking at your pasture gaps. Maybe next year you can extend your grazing season with new and varied pastures."



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FORWARD & ADDRESS SERVICE REQUESTED

Thank you to all of our customers who made our 2007 bull sale such a success!

137 bulls averaged \$3221 (88 coming 2-yr-olds: \$3709, 49 yrlgs: \$2345)

Thanks also to all buyers of our bred cows and heifers this fall.

Your confidence in our program is greatly appreciated!

Please contact us anytime to let us know how the cattle are working in your operation.

Feed Cows with Red Steagall

Our customers within approximately 45 miles of Eureka now have an opportunity for some added entertainment on Sunday mornings. As they feed, check cattle or even "snooze" while listening to the alarm clock radio, they can hear some good cowboy music, poetry and stories from western recording artist, Red Steagall.

Dalebanks is recently began sponsoring "**Cowboy Corner**" on Eureka's local station, **KOTE 93.5 FM**, from **7 till 8:00 am each Sunday morning**. Steagall's show celebrates the lifestyle of the American West through the poems, songs and stories of the American cowboy. It features guest artists such as Reba McEntire, Charlie Daniels, Don Edwards, Waddie Mitchell and Baxter Black, as well as ranching and agricultural notables. Our customers outside of the KOTE listening area can listen live at www.kotefm.com.

For Sale-bulls and commercial females

*February 9 – Dispersal - El Dorado Livestock, KS
(by Shriver Ranch, Dalebanks bull customer)*

150 spring-calving cows, 3-9 yrs old

15 fall-calving pairs, similar age

8 mature Dalebanks bulls, 3-5 yrs old

75 2007-born open heifers (private treaty)

75 2007-born steers (private treaty)

Call Bill Shriver - (316) 775-9350

*March 19 - Commercial female sale-Hobson, MT
(by CA Ranch, Dalebanks bull customer)*

80 fall-calving bred heifers

Call Page Anderson – (406) 580-0487

*March-June ... private treaty at Dalebanks
50 registered spring yearling bulls*

Ultrasound, fertility tested -- ready to work
Priced from \$1500-\$3500