



YOUR LINK TO

by **RON BOLZE**, director of genetic programs, Certified Angus Beef LLC

Quality through cooperation

The cow-calf producer is in the driver's seat. Have you recently heard of any economist predicting anything but "happy trails" for cattle producers for the next three to five years? Virtually any critter with four legs and a remotely bovine appearance has been valued at more than its cost of production for the last few months. Driven by our position in the cattle cycle and drought conditions, heifer placements into feedyards continue at record levels with no indication of rebuilding cow numbers anytime soon.

In today's economic climate, most discussion of genetic improvement in commercial cattle is likely to fall on deaf ears. But there are exceptions. Producers who have a vision for what the industry could look like in five years already have started to lay the groundwork for change.

One of the changes likely to come will be greater consolidation of the backgrounding and feedlot industries. In addition to demanding and paying premiums for feeder cattle with a proven track record for superior health, feedlot and carcass performance, these industries also will seek cattle in larger volumes.

Opportunities to capture "top-of-the-market" feeder-cattle prices after the cycle turns will lie with those producers who can provide load lots with built-in predictability for these traits. Furthermore, opportunities to reduce cost of production favor producers who can reap the benefits of economies of scale.

Unfortunately, many of our cattle are produced as a byproduct of land ownership with little regard for economics. Recent herd demographics indicate nearly half of our nation's calf crop comes from herds with fewer than 50 cows. Each herd owner represents a genetic decision maker — a recipe for tremendous genetic diversity within our commercial population. Yes, we already have a marketing structure that mixes cattle into load lots. But how predictable are the cattle in health, feedlot and carcass performance year after year?

Time to work together

Cattle producers are an independent lot. What an understatement! But it's time to give up a little independence in order to preserve most of it. Perhaps it is time to check the guns and knives at the door instead of continually trying to get one up on the neighbor.

I am not so naive as to think that a group of cattle producers will agree easily on raising the same kind of cattle. Breed preference ranks right up there with religion and politics, let alone trait selection within a breed. However, with a little effort, like-minded producers can find each other and begin to explore mutually beneficial arrangements.

Producers should initiate the process with time and effort devoted to a mission statement and goal determination, both short- and long-term. One of the objectives could be to reduce the cost of production of like-kind cattle that could be merchandised for a premium together in larger load lots. "Like kind" must be defined, such as same genetics, herd health program,

nutrition program, calving season and management. This is an attempt to remove as many variables as possible to make the cattle more predictable year after year. That's right, this is a long-term effort with re-evaluation and potential adjustments every year.

Numerous examples exist of this type of group production and marketing effort. Perhaps one of the longest-standing is the Buckingham County (Va.) Cattlemen's Association program that has reported premiums on 500-weight steers as high as \$8.40/hundredweight (cwt.). Does \$40/head provide sufficient incentive to give up some of the independence and decision-making process?

Table 1: Potential commercial production 'want ad'

Trait	Optimum range	Industry target
Age at puberty, months	12-16	14
Scrotal circumference, cm	32-40	36
Weight at puberty, lb.		
Heifers	600-800	700
Bulls	900-1,100	1,000
Age at first calving, months	23-24	24
Birth weight, lb.		
Calves from cows	75-95	85
Calves from heifers	60-80	70
Body condition score (BCS, 1-9)	4-6	5
Postpartum interval, days	55-95	75
Calving interval, days	365-390	365
Calf crop weaned as % of cows exposed	80-95	85
Cow longevity, years of age	9-15	12
Mature cow weight, lb. at BCS 5	1,000-1,300	1,150
Weaning weight, lb., steer at 7 months	450-650	550
Yearling weight, lb., steer at 365 days		
Grazed or backgrounded	600-800	700
Weaning to feedlot	900-1,100	1,000
Feedlot gain, lb./day	2.4-3.5	3.0
Feedlot feed efficiency, lb. feed/1 lb. gain, steer	5-7	6
Days on feed, high-energy ration	60-120	90
Carcass weight, lb.	600-800	700
Quality grade	Select ⁺ to Choice ⁺	Choice ⁻
USDA Yield Grade	1.5-3.5	2.5
Fat thickness, in.	0.2-0.6	0.4
Ribeye area, sq. in.	11-15	13
Palatability, % fat in retail cuts	3-7	5
Warner-Bratzler shear force, lb.	< 8	< 8
Frame score		
Cows	4-6	5
Bulls, maternal	4-6	5
Bulls, terminal	5-7	6

Service-oriented suppliers

In some cases, the group may require an independent, unbiased third party to provide direction and marketing opportunities. Enter the full-service Angus seedstock provider. Largely as a result of a level playing field with equal access to and use of genetic information, many seedstock providers have come to the conclusion that genetics alone are not going to maintain the loyalty of their commercial bull clientele.

Aggressive seedstock providers of the future will commit significant effort to service as a means of differentiating themselves from others with equal or perhaps superior genetics. Service, service, service will become the focus to attract and to keep a loyal customer base.

Choosing the "right" seedstock producer is one of the most important steps. Commercial producers need to seek out seedstock producers with the same production philosophies as their own.

For example, if the commercial cattle will be expected to perform under low-input environments, it would not make sense to buy bulls from a seedstock producer who provides no opportunity for the environment to sort the cattle. Likewise, if the commercial cattle will be culled for functionality, it makes no sense to buy bulls from a seedstock producer who never culled a cow for a bad udder nor exerted reproductive pressure with short, defined breeding seasons.

A wish list

The ball still lies in the court of like-minded commercial producers. Former Colorado State University animal scientist Robert Taylor long ago suggested that commercial producers should develop a "want ad" for the type of bulls and females they use in their system. The seedstock industry then would use this want ad to develop "specification seedstock" to meet the needs of like-minded commercial producers. Taylor's generalized want ad, shown in Table 1 on page 52, is an example of the potential requirements a group of commercial producers might place in their want ad.

Other requirements might include expected progeny difference (EPD) ranges for production and carcass traits, depending on how the bulls will be used. If they will be used

to generate replacement females, emphasis on traits that currently do not have EPDs may need consideration. These traits may include fleshing ability under your conditions, disposition, udder quality and more.

Ideally, commercial producers may need to identify an older, proven cow that has never missed (from a reproduction and production perspective) and contract for full-sibling flushmate sons sired by a bull with hundreds of daughters in production that have been consistent, problem-free performers. In contrast, if the bulls will be used exclusively as terminal sires, the focus needs to be on yearling weight EPD, postweaning gain and carcass characteristics.

The list of potential services provided by the seedstock producer could be endless. However, examples becoming more prevalent include:

1. Working relationship with feedlots licensed by Certified Angus Beef LLC (CAB).

The 64 CAB-licensed feedlots provide numerous benefits and services, including — but not limited to — inexpensive carcass data collection, more-intensive management of Angus-type cattle and access to pricing grids paying premiums for Certified Angus Beef™ (CAB®) carcasses. Many of these feedlot managers are gaining a greater appreciation for the value of predictable carcass genetics and seek out feeder cattle sired by their seedstock producers' bulls. Most of these CAB-licensed feedlots go the extra mile to build long-term working relationships.

2. Sponsored feeder-cattle sales. Imagine the demand for load lots of "reputation" feeder cattle backed by a history of documented health, feedlot performance and carcass merit.

3. Assistance in merchandising replacement heifers. Imagine the demand for a set of replacement females that are all half sisters generated through the intensive use of proven artificial insemination (AI) sires and, in turn, mated to proven calving-ease sires. Seedstock producers can assist with synchronized AI efforts and provide sons of the same AI sires for natural-service cleanup in another attempt to reduce genetic variation and to enhance predictable performance.

4. Joint ownership of feeder cattle through the feedlot phase. Some seedstock producers are willing to partner on feeder cattle sired by their bulls or know of feedlots that provide this service.

5. Assistance in collecting carcass data. The CAB-licensed feedlots offer one of the best games in town when it comes to carcass data collection at the right price.

6. Enrollment of commercial herds in the Angus Beef Record Service (BRS). As a service, some seedstock producers are covering the cost of enrolling their commercial bull buyers' herds in Angus BRS as a means of generating additional genetic information.

Advantages for collective production and marketing of larger groups of feeder cattle go beyond opportunities for enhanced value and income potential. Lower cost of production can be achieved by reducing duplication of effort and expense. These may include sharing equipment and volume purchasing of supplies, vaccines and supplements; and it doesn't have to stop there.

The right group of cooperating producers could identify individual strengths and weaknesses and resource availability. Imagine, for example, if one producer possessed the management skills, facilities and resources to develop, breed and calve the replacement heifers. Another producer could manage the young females. Other producers could maintain the mature females. Cost savings are plentiful when expense duplication is avoided. Imagine if neighbors could or would manage their cow herds together with larger groups of cattle rotated through pastures across farms or ranches for more intensive forage utilization.

If you can imagine it, it could happen. Obviously, like-minded cattlemen producing like-kind cattle wouldn't work for everyone. However, for those open-minded enough to consider the concept, opportunities abound for the lower-cost production of larger load lots of premium-demanding, predictable, consistent feeder cattle positioned to withstand the next downturn in the cattle cycle.

