

THE LINK

The new Super Bowl for ag

by Ginette Gottswiller, American Angus Association



Who hasn't been following the soybean market the last half of last year?

I've been glued to Beef Market Central more than a Kansas City Chiefs fan has been glued to football stats. It's exhilarating and, frankly, just about to make me crazy. When do you pull the trigger? I said in early December if beans hit \$13.50 on the March board, I was getting out. However, it doesn't look like it's slowing down.

While soybeans have seen the most upside, I have not ignored the corn futures. When have we seen \$5 corn on the March board? I did a quick search. It appeared to be 2013. When I checked feeder-cattle

futures for that same time period, the high in 2013 was October at \$168. Hmm, think we can reach that number this year?

The game continues as it does every year. How much am I going to get for my calves on sale day?

Grain vs. cattle marketing

Grain and cattle are becoming more similar when you think about marketing. For instance, many producers raise non-GMO or organic corn. These are marketing claims. They help increase the amount of dollars received at the dump. But conventional corn definitely can be a player in the dollars received for your feeder calves. The grain market is like watching the other team's film, in



my opinion. I need to know where they are to try to figure out a strategy.

Feeder-calf marketing

This is a big subject with lots of opinions. Just like the grain markets, it is hard to find out how organic corn sold year over year or at a specific time of the year.

I just got a text that showed premiums being used by another verification company. They are showing calves enrolled as Non-Hormone Treated Calves (NHTC) received premiums from \$4.70 to \$6.73 per hundredweight (cwt.), compared to our data that showed \$4.49 per cwt. Calves that had the natural claim earned premiums of \$13.05-\$14.89 per cwt., while our NeverEver 3 (NE3) program showed \$5.36 per cwt. We have published data showing calves that are NHTC with the Angus-Sired Genetic (ASG) claim added to AngusLinkSM brought average premiums last year of \$8.28 per cwt., and calves with NHTC/NE3 and Angus-Sired Genetics claims averaged \$13.21 per cwt.

I realize it is difficult to make a decision to enroll your calves in these programs when there are so

many numbers that truly don't match up. Then again, is that any different than anything else we do every day?

Playing the marketing game, no matter if it's cattle or crops, has always been the thrill or the foe of every one of us. At the end of the day, don't wait until the neighbor's calves sell really well on the July video sale, then no-sale your calves that day because you didn't enroll in AngusLink and think you will get the same price on the next sale in August. The market has changed. Feedlots may have bought all they need for those delivery slots.

No different than the Super Bowl game, planning didn't start a few weeks before the sale. Don't let your plan on *how* to market your calves just include watching the neighbor the week before. It is time to get started today. Pick up the phone, call AngusLink, get an enrollment form and find out your options. Make a plan, get a plan, practice the plan, and get out there and play the game. |

Editor's note: Ginette Gottswiller is the director of verification services for the American Angus Association. "The Link" provides insight into those programs and services.