



ASSOCIATION LEAD IN

by **RICHARD SPADER**, executive vice president, American Angus Association

Increased demand leads to more bulls' being registered, transferred

The year 2000 revealed some interesting information about the business habits of registered Angus breeders. In all, the results were positive as American Angus Association records show Angus breeders recording and transferring an increasing number of bulls. This endeavor has been a major goal of the Association for years, and it appears to be paying dividends.

For a number of years after I first started to work for the Association, the standard distribution of registrations was about two-thirds females and one-third bulls. Those percentages went back to the 1950s and 1960s. In other words, more Angus females were being registered than bulls, and the bulls were being sold as unregistered animals.

A major emphasis started in the 1970s and 1980s added value to the pedigree, accomplished primarily with the development of the Angus Herd Improvement Records (AHIR) database and national sire evaluation. The next step incorporated that vast amount of data into the current performance pedigree.

Today, 18 expected progeny differences (EPDs) are calculated and printed on the pedigrees issued by the Association. The data set the stage for what I believe to be the main reason for the resurgence in interest in the Angus performance registration certificate (PRC) and Angus bulls in general.

This past year, 42% of all Angus cattle registered were bulls. That is the highest percentage of bulls registered in at least the last 30 years. Records show that the vast majority of those bulls are transferred to commercial cattle producers.

Last year alone, nearly 113,000 bulls were registered with the Association. That's a strong indication of the supply of bulls available to the industry in the current year. If the fall and early-winter sales are any indication of the spring 2001 sale season, it should be an excellent spring to locate Angus bulls with the most predictable genetics available in the beef industry.

As we look at the bigger picture in 2001, economists tell us the liquidation of the nation's cow herd is slowing, if not stalled. Demand for beef seems to be firming and growing, they say, bolstered particularly by strong domestic and export demand. As a result, some analysts believe beef cow numbers may remain at present levels for a year or two, then start a gradual climb.

Either way, market conditions bode well for Angus cattle in relationship to other breeds. Those Angus with the right balance of EPDs for growth, milk and carcass traits are in particularly good shape. Higher quality will be in demand.

Even today there is a shortage of USDA Choice and Prime beef. Spreads between USDA Choice and Select carcasses remain in the \$9 to \$10 range. Commercial cattle producers will be hard-pressed to ignore the strong market signal. And since improving quality and the percentage of cattle that grade USDA Choice and Prime is not an overnight task, premiums for top-quality product likely will continue for some time.

The growth of export markets will be a big factor in supporting prices because only the most desirable, higher-priced cuts are shipped to

foreign markets. The U.S. Meat Export Federation (USMEF) projects exports will increase in the years ahead. Economic growth in the Pacific Rim also is good for boosting demand for high-quality U.S. beef.

While many countries in the world can supply forage-produced beef, the United States is still the least-cost producer of high-quality beef worldwide, and the USDA grading system, namely USDA Choice, is the benchmark for all other beef.

On top of all this, there seems to be no limit in sight for growth of Certified Angus Beef LLC (CAB) if we can continue to supply the product. CAB will continue to drive demand for high-quality Angus-type cattle.

That brings me back to the reason I believe we are seeing more Angus bulls registered and transferred to commercial cattle producers. Commercial producers know that the fastest way to improve their beef herds is through sound, predictable genetics offered in the package of an Angus bull.

Our breed is positioned to take advantage of current market developments, particularly stronger demand for quality beef at home and abroad. We face continual challenges to improve both the efficiency and quality of Angus cattle. How we meet these challenges will determine, to a large extent, how many more years we enjoy Angus growth and improved marketing opportunities.

