



Your Link to

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Why you need postweaning information

Maybe you're tired of hearing how you need to get information back on your cattle after weaning. Maybe you figure you can check that one off your to-do list. After all, you might be saying, "I received data on my steers a couple of years ago." Or, "I've had the same buyer for the last 10 years." Or, best yet, "Last year my cattle went more than 60% Choice."

Been there, done that, right? Well, not so fast. Those may be good starting points, but does that information have value? Does it affect your bottom line?

Let's define value as benefit minus cost. For the information on your cattle to have value, it has to contribute more to your bottom line than the cost of obtaining it.

Of course, you have to keep your bread buttered back on the ranch with reproduction and growth. But, the more you know about your cattle's performance after the ranch, the greater your opportunity to make better decisions about when to sell, whom to sell to and how to sell. If you get past the point of guessing on those decisions, it's because of valuable information.

Time and energy

It takes time and planning to gather enough information to make those types of decisions with fairly predictable results. Obtaining data is a perennial affair. Collecting one year of carcass and feedlot data is a necessary first step, but it doesn't get you very far. It takes years to see where your cattle perform the best, what management strategies best maximize their genetic potential and whether you need to alter those genetics.

It is important to find a feedlot where you feel comfortable with the management, including personalities. Settling on a single feedlot or staying within a group-managed system will minimize feeder variability in the face of all the other year-to-year variables. As multiple-year data starts coming in from the same feedlot, it starts to become valuable information.

This partnership should create a win-win scenario.

Win-win-win

Why three wins? First, the feedlot wins by gaining a long-term customer. Second, the cattle win by getting a fair shot at hitting their genetic potential. And third, you win by having obtained valuable information on your cattle, which gives you the tools to better manage for profitability.

Feedlot managers need information on cattle before they come onto their lot, and you need the information on how the cattle perform. Just as expected progeny differences (EPDs) give us predictability in genetic decisions, historical data gives feeders the same kind of management edge.

When you share with them the type of nutrition, health or implant programs your calves have been on, you are helping the feedlot better manage those calves for performance, economic efficiency and end product. Your first set of carcass data is only a glimmer of the full picture; but, that picture becomes clearer when you add information.

benefit
- cost
VALUE

Knowing that your calves went 60% Choice is valuable, but knowing the 60% was made up of mostly Choice Yield Grade (YG) 3s with no Select YG 4s is more valuable. The distribution of that 60% is more important than the number itself when selling in a value-based system that rewards quality.

Sure, those grid markets pay premiums for quality, but it takes information and uniformity to reap the rewards. If your carcass genetics are unknown, your

feeding partner may inadvertently create Select YG 4s in aiming for the high-quality target you assumed was under that black hide. Those, along with the excessively heavy or light carcasses, will reap only discounts.

Achieving true value

These "out" cattle don't fit the market, and it doesn't take many of them to wipe out all your premiums. But, the good news is, informed management can avoid out cattle. It just takes time for you and your feeder to discover these things over years of working together. When he knows he doesn't have to overfinish your cattle, the information gained has acquired true value. A Choice YG 2 brings more money than a Choice YG 3.

Now you are starting to get to the point of knowing where, how and when to market your cattle. You're finding out what they are worth, and what they could be worth if you made adjustments for the future. A Certified Angus Beef® (CAB®) YG 2 brings more money than a Choice YG 2. More often than not, it is profitable to be in on the final sale when you have high-quality cattle. The only way you can get there is to chart your course year after year.

There are many programs and alliances you can work with to get information, but only a few target an end product. There's no question that branded beef will play a significant and growing role in the industry's future, so it makes sense to discover now where to target your cattle to make the most money. Historically, quality grade has paid more than any other carcass trait on an equal pounds basis.

Think about the \$50 million that the market has paid for CAB-quality cattle over the last two years (see "Here's the Premium!" January 2002 *Angus Beef Bulletin*), and keep in mind that the right combination of genetics and management deliver that quality as well as red meat yield. When you commit to aiming for the CAB target, you can capture additional premiums for having a higher percentage of Choice and Prime carcasses along with more YG 1s and 2s.

Here to help

Nobody is more dedicated to helping you do that than the American Angus Association and Certified Angus Beef LLC (CAB) staffs. Systems are in place to assist you in every aspect of data retrieval — from birth to rail — in the most cost-effective and feasible manner. The Angus Beef Records Service (BRS) gives you the opportunity to record data at the cow-calf level, as well as off the ranch where the CAB Feedlot-Licensing Program (FLP) comes in. These licensed partners focus on profitably managing Angus cattle for the CAB target while conveying carcass and feedlot performance data back to producers.

CAB's partner yards across the country provide the opportunity for long-term working relationships to create that win-win-win scenario mentioned earlier. Through different ownership options, these yards have created unique ways to

help producers buffer financial strains and limitations. Some are even willing to partner on greater than 50% cattle ownership while splitting the carcass premiums at the end. It takes these kinds of partnerships to get the results that will keep you in business for the long haul.

New beginnings

Some say the beef industry has changed too much in the past several years, but I think it is just getting started. We now have at the table new players — packers more grounded in consumer marketing across all protein sources. Their efforts, along with those working toward intersegment cooperation, will serve to better satisfy consumers. That will be critical in maintaining the recovery in beef demand that seems so fragile in the wake of the Sept. 11, 2001, terrorist attacks and subsequent drop in foodservice beef sales.

One thing is certain; as we move closer to consumer marketing, end users will demand tighter specifications on the products they buy from packers, who will have to set up tighter specifications on the cattle they buy. You can hope this transformation will occur over time, allowing the industry to adapt. However, it doesn't always work that way — just ask a hog producer.

As change occurs, you need to be ready. You need to have the knowledge of years of information to make the profitable decisions on how and when to market, and to whom to market. When you get to that point, you'll see why you bothered to get information on your cattle. Someday the information could be worth more than the cattle themselves — it's up to you to be ready for that day.

