

Putting Carcass EPDs to Work

Story by
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Twelve years ago, when I began writing for the Angus Journal, I often asked interviewees if they used expected progeny differences (EPDs) in their breeding programs and if their customers used EPDs in determining which cattle to buy.

The question was quite controversial. Most would relay that EPDs were a good tool, but Then would come the comments — good, bad and indifferent. As for their customers, just about all said their customers did not use EPDs and probably never would.

Today in a cattle industry that is striving toward a common goal of producing a palatable, tender, economical product, almost everyone — breeders and their customers alike — rely on EPDs. Now the question that most often evokes a somewhat different answer is if they feel the use of carcass EPDs is helping them produce the type of product consumers demand.

I asked a few seedstock and commercial breeders and an industry representative how they feel about the use of carcass EPDs. Here's what they had to say.

Give us a short overview of your operation or job.

Bill Schermer Jr., owner of Schermer Angus, Clarion, Iowa:

My father started our operation about 50 years ago. He and my brother operate a large feedlot that feeds as many as 2,000-2,500 head. Together, the three of us manage about 200 purebred Angus cows. My father has always done things with caution and has paid close attention to detail all the way through, which I feel has contributed to our longevity.

In our breeding program, we test and use bulls from our own breeding, as well as artificial insemination (AI) bulls. Our bulls have withstood the test of time, not only for us but also for the large customer base we sell to at the National Western each year. For the last 37 years we have been selling 20-30 bulls in Denver by private treaty. It's pretty exciting each year seeing so many repeat customers, and it lets us know we are doing something right.

Kevin Yon of Yon Family Farms, Ridge Spring, S.C.:

My wife, Lydia, and I bought our farm in 1996. Prior to that, we had managed Congaree Farms for seven years. When the owners of Congaree made the decision to disperse their cattle operation, we bought half of the herd of brood cows and purchased a 100-acre farm about 60 miles away. In addition to the acreage we own, we also lease 600 acres.

It was certainly expensive getting set up. We had to build a barn, but it is a multi-purpose building. We have started an outlet in it where we sell feed, minerals, seed and fence supplies to our neighbors. It helps them because there is no other outlet in the area, and it helps us because we can get a volume discount on the supplies we use in our own operation.

We manage about 225 purebred Angus cows and 175 commercial cows, which are used for embryo transfer (ET) and to test young sires. Our main business is selling bulls, and this year, for the first time, we sold our bulls at auction.

Jim and Bob Sitz of Sitz Angus Ranches, Harrison, Mont.:

Our grandparents started in the Angus business about 80 years ago. Our parents, Robert and Donna, came into the opera-

tion in 1959 and began to expand the original herd of 200 cows. Our father is now deceased, but our mother is still involved in the operation of the ranch.

Over the years the herd has grown to 1,100 purebred Angus cows and 100 commercial Angus cows, basically keeping many of the same bloodlines from the early days. On the 13,000 acres of deeded land at the ranch and another 16,000 acres of leased federal land, the focus is on marketing bulls to the commercial market. We try to keep our quality high by castrating a lot of bulls each year. In preparation for a commercial environment, all of our cattle are raised under commercial conditions.

Mike Kasten of 4-M Ranch, Millersville, Mo., 1998 Beef Improvement Federation (BIF) Commercial Cattleman of the Year:

My grandparents were farmers with cattle. That led to my getting a 4-H project when I was 10 years old. My interest grew, and, during my years in high school, I began to put a few cattle on rented pasture. My dad helped me start this business 25 years ago, and I have been in the commercial cattle business ever since.

The operation is strictly cow-calf, breeding about 450 females, including heifers, by AI to registered Angus bulls each year. We do have a few cows that are not pure Angus, but we no longer do any crossbreeding. We are forage-based on 1,300 acres of owned land and another 1,700 acres of leased land. About the only cattle we sell are replacement females and percentages of the calves we send to the feedlot. We also have developed a program where we lease bulls to smaller breeders and contract to buy back the calves.

Dale Johnson of Little Belt Creek Ranch, Belt, Mont., 1997 Certified Angus Beef (CAB) Program Commercial Cattleman of the Year:

My dad and mother started our ranch back in the 1950s as a commercial cattle operation. Dad still is active in the operation and does as much as he can. I came into the operation after I earned a college degree in agriculture about 1972.

For many years we did crossbreeding, using some Charolais and Hereford bulls



Bill Schermer



Kevin Yon



Jim and Bob Sitz



Mike Kasten



Dale Johnson



Roy Wallace

along with the Angus; however, at this point, we are pretty much straight Angus. The ranch is comprised of 6,500 deeded acres, and we lease another 10,000 acres. We run a mature cow herd of 650 with a varying number of stocker cattle, depending on the time of year and how much feed we have. We AI about 200 cows a year to do carcass testing for the Certified Angus Beef (CAB) Program, and we also have a very good market for bred commercial females.

Roy Wallace, vice president of beef programs, Select Sires, Plain City, Ohio:

Throughout the 30 years I have worked for Select Sires, I've seen lots of changes in the industry. Our field representatives encourage breeders to use EPDs, looking for good traits in birth weight, growth, maternal, reproduction and carcass.

Interestingly enough, when I started with Select Sires, I began collecting carcass data on Angus bulls. For 25 years nobody ever looked at it, but now, for the last four or five years, people have put emphasis on it. It is pretty sad that our industry has never selected for the final product until the last couple of years.

Do you use carcass EPDs in your breeding program?

Schermer:

We feel all EPDs, including those on the carcass, are good tools. On the other hand, I don't know if we would want to select our cattle strictly on carcass EPDs. We believe in using a combination of EPDs, and we use the eyeball in the selection procedure. You have to be sure to have a balance of traits.

Yon:

We look very closely at carcass EPDs on the AI bulls we choose to use. Quite frankly, we won't use a bull that does not have positive values, so it does weigh heavily. However, that is not to say we are going to put blinders on and lose sight of the whole gambit of traits.

Sitz brothers:

We breed by AI and natural service. We use carcass EPDs, but we don't select for them because we are looking for a balance of all traits. Looking at the accuracy on the EPDs is one of the main things we do try to watch, and we also preach this to our customers. EPDs are a good tool, but we all have to be more educated about them.

One of our pet peeves is to see a bull with outstanding carcass EPDs, but when you do a little research, you find out data was collected on only four or five steers. Yet they are promoting this bull as the greatest carcass bull ever.

Kasten:

Yes. I have always used AI to breed the cattle, and about 60%-70% of the calves come from highly proven reference bulls. When selecting bulls for my program, I always rely on EPDs, paying close attention to all of them, beginning with those on birth on through to those on carcass.

Johnson:

Yes, we do, or at least every chance we get. A lot of sires aren't evaluated yet; but it seems like there are more and more every year, and the selections keep getting better and better. We use both AI and natural service to breed, making every effort to use the bulls with carcass EPDs.

Wallace:

Breeders are paying more attention to carcass EPDs, but we're not going to change the cattle population with these alone. Everybody talks about it, but when I really look at what happens, breed-wise, we haven't done much.

We have sampled a number of bulls, and we know what the gene pool is. We know the high ones and the low ones and those bulls that have EPDs. As far as young EPDs, it's the most heritable trait we work with. If we buy groups of those young bulls, we can significantly change marbling or muscling.

Which carcass EPDs are the most important to you?

Schermer:

Marbling is the most important carcass EPD for me. It is something that I take a good hard look at and will not sacrifice. Sometimes people will tell me that even though a particular Angus bull may be low in marbling, compared to other breeds he is still above average. That is good, but we still need to select for the best.

Yon:

I think as a breed we all tend to look first at the marbling EPDs, and it is important; but I don't think we can lose sight of fat thickness and ribeye area. Marbling may be the first criterion, but we still have to consider yield and efficiency.

Sitz brothers:

Marbling is the most prevalent, but we also like to see a good ribeye. We try to stay away from extremes in all of the traits, because we feel extremes can get you in trouble.

Kasten:

To me, marbling and ribeye are the most important. We are trying to get as high a marbling score as possible and not get real excessive on ribeye, but all of that is predicated on not giving up anything on the production side. I would never select strictly on marbling by any means. First and foremost, our cattle have to work on grass.

Johnson:

Probably the biggest thing anymore is marbling, which is what you get paid for when the carcass is hanging on the hook. This important trait is certainly related directly to grading; and we all should know if a carcass doesn't grade, it isn't going to make you any money.

Wallace:

The biggest problem is that we have about 18 or 20 traits that we are selecting for, and in cattle breeding there are always trade-offs. It all depends on if you get paid for the trade-offs. Currently very few people are getting enough dollars out of the additional commercial cattle that are bred for superior, high marbling to justify losing other important traits.

Do you ever retain ownership of any of your cattle in order to gain carcass information?

Schermer:

When we sell bulls, we try to buy back as many of their progeny as we possibly can. By doing this, we can follow the animal the whole way through the feeding process in our feedlot, permitting us not only to gather information on feed efficiency, but also to get as much carcass information from the packer as we can.

Yon:

We do encourage our bull buyers to retain ownership. Since most commercial buyers in our state have small herds, the



The genetic correlation of backfat to internal marbling is nearly zero, says Kevin Yon. That means producers can select for lean without giving up marbling.

use of our state cattlemen's association steer feedout program allows these producers to send as few as five head. We offer our buyers an incentive of as much as \$20 per steer up to \$500 to enter the program and give us the carcass data. These incentives are then applied to the purchase of their next bull.

This past year we have also started buying steer calves that are the progeny from the bulls we have sold. We assembled a truckload, grazed them at our farm through the winter and then sent them to a feedlot in Kansas. This should prove to be a learning experience for the feedlot owner, who purchased part interest in the cattle, as well as for us and our customers.

Sitz brothers:

We background steers here at the ranch, and we retain ownership, getting carcass information from a feedlot in Kansas. We feel we are kind of unique since we have been doing this for the past 18 years. We started because we knew how well our cattle had been performing for our customers. We thought there might be more dollars in those cattle if we kept our cattle through to harvest. Of course at that time, there were.

We also have a lot of cooperative herds where we donate the semen and follow those cattle through to the rail. One of the herds does ultrasound, which provides us with a lot of information we wouldn't have otherwise.

Kasten:

We try to retain at least a percentage of just about all of the cattle we send to a feedlot in Liberal, Kan. Part of these cattle come from an alliance program we have with smaller, part-time commercial breeders in our area. We lease them bulls and then contract to buy back their calf crops, which is usually about 400 calves. Many of the females are also from our breeding and, because we help the participating breeders with their herd health programs, it gives us a great deal of control over the end product — the calves.

We have also worked with Sydenstricker Angus Farms, Mexico, Mo., since 1988, doing carcass evaluation. We use semen from their bulls and keep performance records on the calves. Data is collected on through the feedlot.

Johnson:

It is a value-added ballgame anymore, and if you can't add value to your cattle, then they just aren't going to work for you. Even in a bad market situation, if you have value-added cattle, it can cut your losses substantially. Getting infor-

mation on our cattle is important to us. About four out of five years we send cattle to a feedlot in Kansas, depending on the market at the time. In addition to getting back carcass information, we also get performance data on our cattle. This lets us know exactly what we are raising.

Wallace:

There are 33 million commercial cows in America, and an Angus base of maybe about 500,000. Angus breeders have the power to make changes in populations of cattle by using EPDs to identify outstanding seedstock in the breed and to breed for higher-quality, more efficient beef cattle. Carcass data is probably the hardest to sell because people can't see it unless they follow the cattle to the rail.

What type of buyers do you have, and do carcass EPDs enter their selection decisions? Do you feel we need to educate customers to their value?

Schermer:

Most of our bull buyers are from commercial operations. They absolutely look at all EPDs, including those on carcass. As I said before, we buy back a lot of progeny of the bulls we sell. If we don't buy them, we have connections with other feedlots who will buy the calves and give us carcass data.

We always share our information with our customers, and often we find other feedlots will pay a premium for the progeny of those bulls we sold because of that extra information. Since our bull customers know this, they in turn are more likely to pay us a premium price for our bulls.

Yon:

Most of our bull customers are from commercial operations. Up until this year, the majority of them made selection decisions without the use of carcass information. However, this year I had to do a quick study on carcass EPDs because some of them knew more than I did.

For those who still do not make use of carcass data, we will continue to talk about it and show them the results and let them know their animals can earn extra dollars under value-based criteria. In the long run, we trust they'll begin to look at carcass data too.

Sitz brothers:

Although almost all of our customers are commercial, we find they tend to make their decisions based on different

things. There are some buyers who are strictly chasing carcass EPDs; but, until they get paid for carcass quality, we find the majority are looking for an overall balance of traits.

Kasten:


We don't really sell all that many cattle since we have a leasing program; but we do have a history with the feedlot for producing higher-quality cattle, and they are willing to buy our calves based on a western grid price. We also partner a lot, selling just a percentage. At the end point, we are getting paid for those higher-quality calves, averaging a premium of \$23 across the board over the western top because of carcass quality.

Johnson:

We have a very good market in selling bred commercial females because there are always commercial breeders looking for good commercial cows and heifers. I think these breeders are all becoming more aware of carcass EPDs, especially if they want to retain ownership to see how their breeding program hangs. But from our end, we aren't able to have carcass EPDs available on everything, and we use it more as a tool for our own end of breeding than we do as a selling point.

Wallace:

About 90% of our commercial breeders ask us what bulls they should use. They say they want a calving-ease bull or one with high milk or whatever. Our field people utilize the EPD data because that is the only way it can be described. Actually it is no different than buying seed corn; they ask for what they specifically want.

 **Do you feel your customers fully understand the aspects of EPDs, including those on carcass?**

Schermer:

Our customers do understand EPDs, but I think they use them only as a tool, much the same as we do. They don't buy bulls strictly on the numbers. Don't get me wrong; they like to see good numbers, but they also want to see a quality bull. I think there are still some people who don't understand EPDs and find them confusing.

Yon:

It is very gratifying to see most of our customers using EPDs in their selection of bulls. In just the short period of time we've been selling bulls, we have seen folks come from not paying attention to EPDs to using them extensively to make

a preliminary selection prior to coming to our sale. They use the *Sire Evaluation Report*, do their homework, and when they get here on sale day, all that is left is checking their choice phenotypically.

Sitz brothers:

Prior to 1966 all of our bulls were sold by private treaty. Since that time, we sell all of our bulls, 250-300 each year, through auction.

We feel the majority of our customers understand EPDs, and for the past two years we have been putting interim carcass EPDs in our sale catalog for about 50% of the bulls. The more progressive people understand them really well, and we find that the commercial people who feed their own cattle the whole way through pay attention to the carcass EPDs.

Kasten:

The feedlot people understand and care; but for the breeders who participate in my program, there isn't too much interest. I am the main person looking at the end product of their calves, because they are basically an extension of my herd. I choose the bulls they lease, which are used on females from my breeding or will fit the same type. The whole thing is a convenience for participants because I'm guaranteeing them a top price for their calf crop; they don't have to mess with bulls, and it works for me in helping me enlarge my herd. In other words, I am actually my own customer.

Johnson:

I think breeders are becoming aware of the information available and using it more all of the time. Five or six years ago even reproductive EPDs were relatively new to a lot of commercial breeders; but now they all have them, and everyone seems to have gotten educated about their use.

Wallace:

People think commercial cattlemen ought to be able to come in and understand EPDs. They really don't, and they aren't going to take the time to learn them. But if he or she comes up to us and says they want a bull that is going to sire calves with high marbling, or ones with a lot of milk, we can steer them in the right direction. We sell lots of semen to lots of breeders who don't really know what EPDs are. But the bottom line is, if we want repeat customers, that bull has to do what he is supposed to do. Commercial cattlemen will accept those bulls that work.

 **Is there anything you would like to add on the subject of carcass EPDs or other subjects we have discussed?**

Schermer:

I think, as a whole, we are all heading in the right direction, but as breeders we seem to have a tendency to follow too many fads. Breeders need to decide what they want in a program and stick to it in order to find those cattle out there that will give them a plus.

Yon:

One thing we need to stress is that the genetic correlation of backfat to internal marbling is nearly zero. We can select for lean with very low backfat, but yet have very high intramuscular marbling. That's a great thing, and the real plus is to have bulls in our breed that can do that.

Another thing when we talk about carcass EPDs: I think it will be a balancing act to use the cattle that will sire progeny with desirable carcass traits; but we can't forget that we need to be siring females that fit the environment, are efficient and that are reproductively sound. If we get so wrapped up in carcass EPDs that we forget about the female, we haven't bettered ourselves or the breed.

Sitz brothers:

We try to prove out as many steers as we can each year, just to gather information for our use and our customers' use. We aren't searching for the largest EPDs we can find, but a balance of all traits.

We can't lose sight of the animal in general. It has to work in our environment. It has to be a salable product. It has to be phenotypically correct and have the EPDs to go with it.

If every purebred breeder would get a load of steers that are progeny from their breeding and send them to the feedlot and follow them through to the rail, there would probably be a lot more respect for the commercial cattleman. We can't lose sight that when you get down to the bottom line, we are basically meat producers, or sellers of grass if you will, and you have to be more conscious of the end product.

Kasten:

We, as commercial producers, desperately need to be able to verify the quality of our product when we sell our calves off the farm. We need to have a reasonable knowledge of how they are going to end up in the meat case, and I don't think we can do that without putting an emphasis on carcass EPDs. The emphasis has to be put on producing quality on the farm

where the breeding takes place.

I tell other producers, you need to go into the store and look at your product. Most of them have no idea what they are competing against or how their product looks on the shelf. We are sorely lacking in a lot of areas. We need to quit putting low-quality cattle into the marketplace, and we need to go to a carcass pricing system and grade everything.

I also think commercial cattlemen ought to be getting carcass data. They might find they have one of the best carcass bulls in the breed; however, they need to be able to prove it. We had a clean-up bull that ended up being the seventeenth-

highest marbling bull in the breed. Without carcass information, I would not have known this.

Johnson:

As far as carcass EPDs go, the Angus breed has most certainly taken the lead in the industry. The other breeds are coming along, but the Angus people had the vision to be first, and it is evident in the marketplace, especially in the sire end of things. It's an exciting industry that is changing so fast. Where it is going to take us, we aren't quite sure, but we all need to try to keep pace. Not only do we have to do a better job in genetics, we also need to

do a better job in merchandising what we produce.

Wallace:

The cheapest, quickest technology you can put into any animal population is with AI, because you increase your selection differential significantly by the sires. The Holstein breed is a good example, breeding about 85% AI. The Angus has crossed 40%, which is really good, but we still breed very few of the commercial population.

