

# SORTING GATE

## Capturing the value of your genetics

by Joel Cowley, Angus Genetics Inc.



As a purchaser of registered Angus bulls, you are aware of the value that the breed brings to your

operation in terms of females that function well within your environment and that generate impressive pounds of calf weaned per exposed female. But are you capturing the full value of your genetic investment, or is a significant portion of that value being captured by downstream users in the beef supply chain?

If you sell your calves at weaning and have not developed a reputation among prospective buyers, odds are you have been receiving near-average prices for your above-average calves.

The traditional manner for cow-calf producers to capture the full value of superior genetics and management has been retained ownership. Though the benefits and considerations of retained ownership have been well-documented in

countless articles, and there are several tools available to evaluate the potential, the increased risk and added complexity of a retained-ownership strategy may be too much for many producers.

However, there is another way to capture value — by actively communicating objective indicators of the value of your calves to prospective buyers.

### Process verification

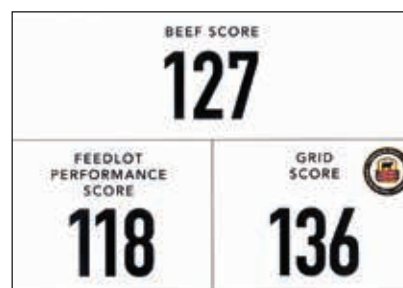
As far back as 1995, cow-calf producers have had the opportunity to differentiate their calves through enrollment in a USDA Process Verified Program (PVP). PVPs serve as a guarantee from the USDA that marketing claims associated

with live cattle and their resulting beef products are legitimate. AngusLink<sup>SM</sup>, an offering of the American Angus

Association, provides an avenue for producers to capitalize upon PVPs. Following initial enrollment and training, participants can enroll in one or more of the claims displayed



Fig. 2: AngusLink<sup>SM</sup> Genetic Merit Scorecard<sup>®</sup>



\*Example calf group index score

in Fig. 1. Though every claim includes age and source verification, each has different requirements. Two of the claims, NHTC (non-hormone-treated calves) and NeverEver3 (no hormones, no antibiotics, no animal byproducts fed), require an on-site audit.

The PVP claims communicated through AngusLink represent added value for interested buyers, but it doesn't stop there. For producers who predominantly utilize registered Angus bulls, there is also an option to validate the genetic potential of their calves by adding a Genetic Merit Scorecard<sup>®</sup>.

### The scorecard

In adding a Genetic Merit

Scorecard, a group of qualified calves is assigned three genetic merit scores: grid score, feedlot performance score and beef score. Grid scores project relative value differences when calves are sold on a carcass merit grid. Feedlot performance scores predict growth rate and efficiency in the feedlot. Beef scores combine carcass value and feedlot performance into a single prediction.

Each score is presented on a scale that ranges from 0 to 200, with 100 representing the industry-average feeder calf. As such, potential buyers can expect the group of calves represented by the scorecard in Fig. 2 to not only exceed industry averages with regard to each measure, but also to have the potential for a superior acceptance rate for the *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand, as evidenced by the *Targeting the Brand*<sup>™</sup> logo that currently accompanies a grid score of 125 or greater.

Powering the genetic merit scores for each group of qualified calves are the Association's dollar value indexes (\$Values), which have been calculated for each registered Angus sire that is used to generate the calf crop. Derived from the comprehensive Angus genetic evaluation, \$Values combine several traits to express the total average economic differences that can be expected in a sire's calves when compared with the calves of another sire.

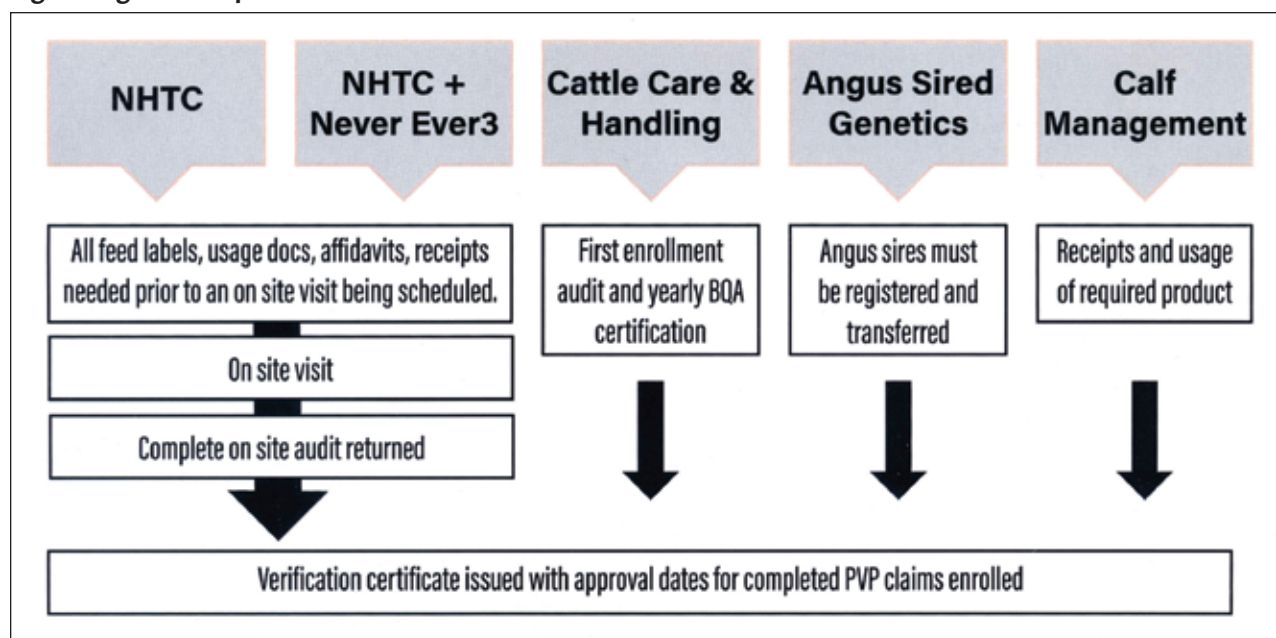
Table 1 displays each AngusLink genetic merit score, the \$Value that is used to determine that score, and the specific expected progeny differences (EPDs) that are used to calculate each \$Value.

### Improving the scorecard

Because 100 represents the score for the industry-average feeder calf,

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Fig. 1: AngusLink<sup>SM</sup> process verification claims



selecting Angus bulls that are near or above breed averages for \$B (beef value), \$F (feedlot value) and \$G (grid value) will result in scores that exceed 100. Breed averages for non-parent Angus sires for each of these traits appear in Table 1.

For those wishing to aggressively target the CAB brand, it is recommended that bulls with a \$G of 55 or greater (top 25% of non-parent bulls) and marbling EPDs of 0.65 or greater (top 35% of non-parent bulls) be selected. Sire-identified carcass data from more than 8,600 records in the American Angus database show that these minimum thresholds for \$G and marbling resulted in an average CAB acceptance rate of 50%.

### Don't forget maternal

It is important to note that the traits listed in Table 1 focus on the terminal nature of the calves being

**Table 1: \$Values and traits contributing to AngusLink<sup>SM</sup> Genetic Merit Scores**

	AngusLink Genetic Merit Score		
	Beef	Feedlot performance	Grid
Underlying \$Value	\$Beef	\$Feedlot	\$Grid
Angus non-parent bull avg.	129	83	45
Traits included	WW, YW, RADG*, DMI*, FAT, REA, Marb, CWT	WW, YW, RADG*, DMI*	FAT, REA, Marb, CWT

Traits: WW = weaning weight, YW = yearling weight, RADG = residual average daily gain, DMI = dry-matter intake, FAT = fat thickness, REA = ribeye area, Marb = marbling, CWT = carcass weight; \*Not required, but used when available.

offered. For producers retaining replacement heifers, maternal characteristics should be considered.

The American Angus Association offers prediction tools on several maternal traits, including maternal weaned calf value (\$M), which predicts profitability differences from conception to weaning in operations where replacement heifers are retained and the remainder of progeny are sold as feeder calves.

For those wishing to incorporate genetic testing in the selection of

females, GeneMax Advantage<sup>TM</sup> can be used to determine the genetic merit of commercial heifers for a number of economically important traits and is recommended for cattle that are 75% Angus or greater.

### Capturing value

Details on each available AngusLink lot, including location, average age and weight, sex, PVP claim and genetic merit scores, are posted to the American Angus Association website and distributed to a list of 800 potential buyers.

Video sale results from more than

43,000 head of AngusLink calves indicated average premiums ranging from \$5.11 per hundredweight (cwt.) to \$24.00 per cwt., which varied by PVP claim and the availability of genetic merit scores. On average, Angus-sired calves with genetic merit scores outsold their non-genetic-merit-scored

AngusLink contemporaries by more than \$8.00 per cwt.

For more information about AngusLink, Angus EPDs or GeneMax Advantage, visit [Angus.org](http://Angus.org) or contact the American Angus Association. |

Editor's note: "Sorting Gate" is a regular *Angus Beef Bulletin* column featuring herd improvement topics for commercial producers using Angus genetics. Authored by staff of Angus Genetics Inc. (AGI), regular contributors include Joel Cowley, president, and Kelli Retallick, director of genetic and genomic programs. For additional information on performance programs available through the American Angus Association and AGI, visit [www.angus.org](http://www.angus.org) and select topics under the "Management" tab.