



What Feeders Want

Hear what your customers have to say.

by Troy Marshall, American Angus Association

There are few things as valuable as getting feedback from your customers and taking the time to better understand what their biggest concerns are and where the greatest opportunities might be. Angus Media worked through CattleFax to conduct a third-party survey of feedyards to gather their unbiased perceptions toward the cattle they buy and feed today, as well as their insight for what lies ahead.

This was a comprehensive survey that covered a large percentage of the cattle on feed here in the United States, and it provides a lot of valuable information. Some of it confirms what you already knew. Still, it is valuable to confirm that one's assumptions are valid. Other parts may surprise you.

Here are some insights.

Top concerns

Cattle feeders and cow-calf producers have the same basic

big-picture concerns. When asked what were the greatest challenges to their future, the top five feeder concerns were:

1. Input costs
2. Labor
3. Government regulations
4. Profitability
5. Weather

Feeders are concerned about efficiency of production, and anything that reduces their input costs, or reduces labor, is paramount. These priorities show up when you see the emphasis they put on health, feed efficiency and the like throughout the survey.

Enticing to buyers

When asked what would incentivize them to purchase a set of feeder calves, the top four responses all related to health (preconditioning, weaning and vaccination protocols in addition to current health status).

After health, genetics took over the

list with previous purchase history, black hides, verified Angus genetics and verified genetic merit all being included in the top 10.

Not surprisingly, load lots came in at No. 6 on the list and having an animal welfare, or sustainability, claim was No. 10.

There is little doubt that health and genetics dominate the procurement decisions of buyers. It also was confirmation they see the value in both the AngusVerifiedSM and Genetic Merit Scorecard[®] (GMS) and that they are putting more and more emphasis on genetics.

Searching for Angus

The survey confirmed what market observers already knew — the marketplace is searching for Angus genetics. When asked to rank breed and hide-color preferences, the top three answers by a considerable margin were:

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[PHOTO BY LINDSEY SAWIN]

1. Known black Angus genetics
2. Black hide
3. Black baldies

You may find it of interest that beef × dairy crosses with known genetics was No. 8 on the list.

To probably nobody’s surprise, dairy-influenced and *Bos indicus*-influenced were the two breed crosses that most detracted from a purchase decision.

An interesting note is that “beef × dairy of unknown genetics” was No. 2 on the list of detractors, while “beef × dairy with known genetics” was one of the most sought after. Beef × dairy cattle have helped change feeders’ understanding of genetics and their effect on profitability.

The survey confirmed that buyers care about genetics and expect genetics to play a bigger role in their procurement strategies going forward (76% of respondents), but it also confirmed they still rely on hide color, breed composition and sire lines as their top metrics for genetics.

It was exciting to see 9% of feedyards say they utilize the GMS or genomic tests. I truly believe that number will be significantly larger in a short period of time.

Feeders also indicated they use genetics to market or manage their cattle (84%).

Profit metrics

The survey asked which traits posed the greatest risk to profitability. No surprise here, but as cow-calf producers, the message is pretty clear. Ranked by percentage rating at the highest two levels, the top eight concerns were:

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| 1. Health | 76% |
| 2. Feed conversion | 76% |
| 3. Dressing % | 70% |
| 4. Quality grade | 60% |
| 5. Carcass weight | 60% |
| 6. Growth rate | 57% |
| 7. Uniformity/consistency | 49% |
| 8. Yield grade | 49% |

When asked what they wanted to see when buying cattle in the future, these were their top seven answers:

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| 1. Improved vaccination programs | 84% |
| 2. More description of genetic potential for carcass merit | 47% |
| 3. Increased uniformity | 44% |
| 4. More description of genetic potential for performance | 42% |
| 5. More documented breed description | 34% |
| 6. Improved disposition | 31% |
| 7. Age and source verification | 29% |

It is impossible to escape that buyers are focused on two areas — health and genetics. Increased uniformity was No. 3 on this list, and this focus came out throughout the survey. Uniformity and consistency make it easier to manage cattle to hit their ideal compositional end points, improve marketing opportunities, and reduce risk.

Uniformity is affected by genetics (consistency of breeding program) and management. This is another area that producers have the opportunity to increase value.

Takeaways

In summary, you will be seeing a lot more information from this survey in the future. The major take-away messages were clear, though: Health is and will continue to be a top concern for buyers. The value of genetics is their second priority, and the importance of genetics to feeders is growing significantly.

Buyers not only understand the value of genetics, but they want documentation and objective measures to help them in their buying decisions. They understand Angus genetics offer the most growth, the most carcass weight and the most marbling and, as a result, enjoy a significant and well-earned advantage in the marketplace.

The Angus advantage is growing!

To differentiate Angus genetics in the sea of black-hided cattle, feeders are looking for tools like the Genetic Merit Scorecard and AngusVerified.

At first I was a little surprised that the process-verified programs (PVPs) did not show up more prominently on the lists of things for which feeders were looking. In fact, most of them made the top 10 list of market detractors. Yet, when one reflects on that, it isn’t really that surprising. Those programs have established significant premiums in the marketplace. Feeders not feeding for those niche markets do not want to pay the premiums associated with them.

Buyers want healthier cattle and better documentation of health status. They want superior genetics, and they need objective and reliable metrics to describe the genetic merit of the calves they are buying. They want cattle that give them more market access and the opportunity to receive premiums for reaching end-point targets of programs like CAB. They want more uniformity and consistency so they can both manage and market those cattle more efficiently.

The key to achieving these goals seems to be to use leading Angus genetics and manage your cattle in a way that maximizes health outcomes and increases uniformity and consistency. Document and verify the cattle, so buyers can buy with confidence and leverage those niche marketing opportunities that your management system allows.

Finally, producing the right product, the product that provides the most profit opportunity for your customer, is a great start. But, you must let the right buyers know about those cattle. **ABB**

Editor’s note: Troy Marshall is director of commercial industry relations for the Association.