

Document superior genetics to get paid for them.

by Troy Marshall, American Angus Association



Marketing is really simple, but we insist on making it complicated. I think we could say the same

thing about a lot of things in the cattle business. In the June 2023 *Angus Beef Bulletin EXTRA*, there are a couple of really good articles I want to call attention to. The first is the discussion with Clint Berry about creating value for your feeder calves (<https://bit.ly/3rPk4N>). The second discusses leveraging the value of your heifer calves (<https://bit.ly/HeifersJune>). They make some good points in those articles.

Clint talks about taking advantage of the additional marketing opportunities that are available. The premiums for these programs have been significant and relatively consistent over time. If your management practices allow you to take advantage of the premiums, it makes sense to do so.

Clint's discussion focuses on the management side of the marketing equation. This is the area that we can make the most improvements in during the shortest period of time. Within economic constraints, we have almost 100% control over our management.

Market timing, marketing avenues, market presentation and managing market risk all fall under the marketing umbrella. Marketing is often an afterthought for many producers, as we tend to focus on the day-to-day production side of the business.

The other component that plays

a major role is genetics. Your marketing and management program starts with the genetic inputs you have. The genetics you have help shape your management and marketing programs. Genetics are ultimately the key profitability driver for cow-calf producers and those who buy their calves.

Clint makes the argument — and I agree with him — that if you are doing something that benefits buyers, you should document it in a way that allows you to get paid for it. The same thing could be said for genetics.

If you have invested in superior genetics, you should document it so you can be paid for it. The AngusVerifiedSM program is geared to validating and verifying that your calves are sired by registered Angus bulls. CattleFax's recent feeder survey confirms that buyers understand and prefer Angus genetics. The premium for black-hided cattle is justified and illustrates the market's attempt to procure those Angus genetics.

However, in today's world, a black hide doesn't mean as much as it used to. Buyers see the value differences that are created based on genetics. But unless they have fed those cattle previously, they do not have a reliable, objective way of knowing the genetic merit contained in a pen of feeder cattle. The Genetic Merit Scorecard[®] (GMS) is designed to bridge that gap. Not only does it give buyers the ability to bid with confidence, it reduces the risk that is inherent with buying calves.

Female considerations

The second article talks about leveraging the value of your

females. Steers and non-replacement females make up our fed-cattle mix. Your bull battery is responsible for most of your genetic improvement over time, but when it comes to differentiating oneself in today's highly competitive business, your cow herd is what makes you unique and adds value.

The cow herd is more than simply the factory, contributing to reduced breakeven costs and improvements in efficiency. It is also responsible for half of the genetic makeup of all the calves you market, whether they be feeders or replacement females.

We tend to focus on the short-term benefits of the GMS and AngusVerified programs and the premiums they help producers receive within the beef supply chain. These are great; however, in the long term, the greatest benefit is their ability to help producers differentiate and value the cow herd, which is ultimately one of the most important assets we have.

Tell your story

Finally, once you have taken care of and documented the value of your genetics and management, the key driver of profitability becomes marketing. Marketing tends to have a negative connotation in agriculture. Cattlemen will even brag that they are not marketers.

Yet, marketing is nothing more than telling your story effectively. Good marketing makes your cattle more valuable. Great marketing

helps your customer realize more value. Marketing is not transactional; rather, it is about building relationships. Marketing — if done right — actually reduces the need to “sell.”

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Says entrepreneur, author, speaker and internet personality Gary Vaynerchuk: “The best marketing strategy ever: Care.”

Nobody cares more than a cattlemaster; marketing just allows us to express it. Making the best product in the world means nothing, if people don't know it is the best. AngusLinkSM was designed to not only give producers marketing tools, but to help them market their cattle, as well.

Marketing is the primary function of any business. Innovation, quality and culture shape your ability to market your product, but it is marketing that assures success.

The marketplace is ever-evolving and, as a result, we are all engaged in a race that never finishes. We know that we will continue to see shifting market demands and perceptions, but the AngusLink program is designed to help you be a leader in marketing. Start participating today so you can be better positioned for where the industry is heading. **ABB**

Editor's note: Troy Marshall is director of industry relations for the American Angus Association.