

Enjoy the ride.

by Troy Marshall, American Angus Association



Ranchers tend to be a hard group to characterize. In many respects, we are the most optimistic

people in the world. With all the uncertainty that comes from dealing with Mother Nature and the volatility of today's markets, you must have a positive outlook just to keep pushing forward sometimes.

Few businesses have the long-term outlook ranching requires. Most business managers think in terms of quarterly results. In ranching, our decisions tend to have a much longer horizon. Results of a bull purchase aren't even realized for two or three years, and that purchase continues to have ramifications 10-15 years down the line.

While most business planners consider a year to be a long way out, ranchers make decisions they know won't be fully realized until the next generation.

Cattlemen deal with problems every day, looking at them not as

obstacles, but as newfound opportunities. We understand the rain may not come when we want it to, but it will eventually come. That is an optimistic way to look at the world.

Hard to accept the good sometimes

At the same time, ranchers could be described as having a negative streak, as well. After all, nothing makes us feel more uneasy than green grass and higher prices. There seems to always be areas of the country that are dry.

The cattle markets tend to be universal. It is hard to complain about the current price levels, but that doesn't mean we can't have concerns about beef demand and escalating retail prices, or about the overall economy and disposable income levels. Also, it isn't too early to start talking about the beginning of expansion and how low it will go in the next downturn of the cattle cycle.

I say that somewhat in jest, but it is as important to enjoy the good times in our business as it is

to prepare for the tougher times. And it is really good right now.

Formula for maximizing receipts

AngusLinkSM calves have not only enjoyed historically high prices, but they have received historically high premiums, as well. The value of Angus genetics has never been greater. The market signals through the summer video sale season have been very clear.

In addition to the old standards of lot size, location, herd health, nutrition and condition, there is a simple four-step formula for maximizing the price you receive for your calves.

- ▶ **1. Use Angus bulls.** In the sea of black-hided cattle, AngusVerifiedSM is the standard that buyers use to know that calves are truly Angus-sired.
- ▶ **2. Use genetics that excel for the economically relevant traits of beef production.** The Genetic Merit ScorecardSM gives buyers the ability to buy with confidence and is changing the way feeder cattle are marketed. Get paid for your investment in genetics.
- ▶ **3. Give buyers the most market access and flexibility possible.** Determine what programs fit your current management program and utilize them to gain as much access to buyers and premiums as possible.
- ▶ **4. Market your calves.**

Document and verify the value of your genetics and management, and then put those calves in front of as

many buyers as possible who are looking for your cattle.

There are a lot of people out there who are committed to helping market your cattle as effectively as possible.

Whether it be through the AngusLink program, your preferred seedstock provider or third-party marketing professionals, there are a lot of programs out there designed to help you maximize revenues. Take advantage of them.

The industry is changing at an incredible rate, and supply chains and specific market targets are becoming more prevalent. What is unique about this change is that while it is increasing the differentiation we are seeing in prices, it also is reducing the risk associated with marketing those calves. There has never been more opportunity than there is today.

This year those who have enrolled in AngusLink have enjoyed well over \$10 million in premiums as a result. Those are premiums that do not decrease as supply increases. Rather, they are growing as more and more cattle participate.

Many producers are already employing two of the four steps listed above, but most have the opportunity to do a better job in one or two of these areas.

With more opportunity than we've ever had, optimism for the future is justified. **ABB**

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



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