



The Credibility Builder

For Mule Creek Ranch, AngusSource® positions the operation for opportunities of the marketplace.

Story & photos by
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The Mule Creek Ranch of Wilmore, Kan., does a lot of things right when it comes to producing quality commercial cattle — everything from its comprehensive use of artificial insemination (AI) to its aggressive vaccination and preconditioning program.

But one of the most important things the ranch has done in recent years, says manager Kim Leeper, was to enroll in AngusSource.®

“The program really helps us when we market our calves,” he explains. “It’s allowed us to consistently capture premiums. And

it’s enabled us to share information on our cattle with our buyers, which strengthens their position as well.”

AngusSource, an industry-leading U.S. Department of Agriculture (USDA) Process-Verified Program (PVP), was developed and launched by the American Angus Association earlier this decade. The program verifies the group age, source and genetics of producers’ calves.

Cattle enrolled in the program are identified with the official AngusSource ear tag and verification certificate, and this verification remains intact throughout the animal’s lifetime and through all marketing and production channels.

The eligibility requirements of the program are relatively simple, says Sara Snider, director of the program: “Cattle must be sired by a registered Angus bull. Calves must be enrolled by the ranch of origin and, at a minimum, must have a record verifying the birth date of the oldest calf within the enrollment group.”

Adds Leeper, “The Number 1 thing about AngusSource is that it creates credibility. The sale barn knows our cattle and us. And, our buyers know our cattle are what we say they are. This program is a real credibility builder for producers.”

The last two years bear witness to the strength of AngusSource cattle in the marketplace.

Leeper typically weans calves around the first of September, then backgrounds them on dry grass and cake for about 60 days before selling through a special feeder-calf sale at Pratt Livestock Inc. in Pratt, Kan.

In 2007, the Mule Creek calves, which averaged 430 pounds (lb.), topped the market at \$1.53 per hundredweight (cwt.).

In 2008, when Leeper returned with another set of AngusSource calves, the buyers were there waiting for him. The calves topped the market once again at \$1.53 per cwt. — even though calf prices were down fairly significantly in 2008 compared to 2007.

“What we’ve found is that the longer you’re in AngusSource, the better it gets,” Leeper says. “When you’ve been in it for as long as we’ve been, and you look at what these AngusSource cattle bring and you see that they consistently top the markets, I can assure you it’s not because of me. The buyers aren’t buying me. They’re buying the cattle — and they’re buying the information that comes with them.”

An industry perspective

For John Butler, chief executive officer (CEO) of Beef Marketing Group, a cooperative of 15 feeding operations in Kansas and Nebraska, the benefits of AngusSource are too many to count.

First and foremost, the program allows him and others in his cooperative to accomplish their primary goal: to focus on developing value-added beef programs driven by consumer demand.

“As a procurer of feeder cattle, as well as offering competitive, retained-ownership programs, AngusSource cattle come to us with a promise,” Butler says. “The AngusSource promise is that the cattle are of known genetics, and they have the additional benefit of being age- and source-verified. AngusSource has become a trusted,

credible PVP that fits well with the branded beef programs that we are involved with.

“The great thing about AngusSource is that it allows virtually any commercial producer to produce cattle that can be eligible for branded beef programs like *Certified Angus Beef*® (CAB®),” Butler adds. “And when those opportunities are open, I think there are pretty significant benefits in terms of real premium dollars for now having cattle that can be eligible for meeting the specifications of these programs.”

When it comes to qualifying for CAB, for instance, at participating plants AngusSource also allows cattle that are not 51% black-hided to be eligible for CAB and CAB Natural because the producer can verify that the cattle were sired by registered Angus bulls.

“Being able to verify the sire’s genetics adds confidence among buyers that the seller is truly focusing on breed specificity and quality,” Butler adds. “And participating in this program also helps producers because many of them have received carcass data and other information on their cattle after they’re sold.”

Perhaps the greatest value of PVP programs like AngusSource is that they provide a direct information link between all sectors of the cattle industry.

California-based Harris Ranch is a leading U.S. beef producer, packer and exporter of U.S. beef to Japan.

“The one issue that dominated the attention of the U.S. beef industry in recent years was export market accessibility,” says Harris Ranch’s Mike Smith. “When we lost many of our beef export markets several years ago, it’s estimated the U.S. beef industry was losing \$3.5 billion per year, or roughly \$150 for every fed steer and heifer marketed each year.”

A key component to recapturing, securing and expanding export markets, Smith says, is producer participation in programs like AngusSource.

Japan in particular requires all beef imported into its country to be processed by USDA-certified plants and procured from suppliers who are PVP or USDA Quality System Assessment (QSA)-certified, Smith says.

“Without question, the most restrictive export requirements imposed on us are from Japan,” he explains. “Not only are detailed and descriptive processing procedures and recordkeeping required by these countries, but all beef and beef products marketed there must be obtained from cattle determined to be 20 months of age or younger at harvest.”

One of the key advantages to AngusSource is that cattle enrolled in the program can be accepted into

most feedlots' pre-existing PVP or QSA programs.

"For farmer-feeders who market directly to packers, AngusSource offers a feedyard umbrella program for ranch-enrolled calves," Snider says.

For all of these reasons, most of the nation's packing companies now recognize the value of having a reliable source of AngusSource cattle so they can capture international opportunities as well as position themselves within the U.S. market.

"We're currently getting anywhere from \$25- to \$30-per-head premiums for age-verified cattle right now," says Ron Rowan, director of Beef Northwest's risk management and alliance-development programs. "That's where people really need to understand the added benefits of participating in this program."

To help producers market their AngusSource cattle, the American Angus Association's Commercial Programs Department is working with livestock markets across the country to organize and promote special AngusSource sales.

"These sales, hosted in conjunction with the livestock markets' regularly scheduled value-added calf sales, allow producers the opportunity to work with others to market large numbers of AngusSource calves to potential buyers. That not only builds awareness of the program, but also demand for the cattle," Snider says.

For Leeper, perhaps the greatest benefits of AngusSource are that the program provides him with a direct connection, not only with the people who buy and sell his cattle, but also with the consumer.

"The reason I do this is because I want everyone who owns these

"We're currently getting anywhere from \$25- to \$30-per-head premiums for age-verified cattle right now," says Ron Rowan, director of Beef Northwest's risk management and alliance-development programs.



calves down the production chain to make money with them," he says. "It starts with the AngusSource program, and you work your way from there. The program not only allows you to share your genetics, but also the investment you've put into the health of your calves.

"It's a combination of the whole

deal. It's the genetics. It's herd health," Leeper adds. "And it's the opportunities that AngusSource puts out there for you. All of these things work together to improve the marketing of cattle for everyone involved in the system."



The competitive edge

Commercial producers agree: AngusSource® is worth the investment.

For Steve Hines, who manages about 800 head of cattle near High Springs, Fla., the advantages of AngusSource® are clear.

When he first enrolled in the program three years ago, he wasn't sure it would make that big of a difference when it came to building demand for his calves.

But a year ago, when a repeat buyer snatched up three potloads of his calves at a \$3-per-hundredweight (cwt.) premium over the market, Hines knew his efforts to improve his commercial marketing practices were paying off.

"AngusSource is really one of the least expensive ways that you can add value to your cattle," he says. "It makes your calves worth more money, and the buyers appreciate the fact that they know the age, source and genetics of the cattle."

California ranchers Teresa and Doug Mondani, who raise commercial cows near Lone, Calif., agree with Hines's assessment.

They'd been looking for ways to capture more dollars from their cattle so they could remain competitive during these tough economic times.

"We believe AngusSource has helped to increase the value of our calves by \$5 to \$6 per hundredweight," Teresa says. "We've been very happy with the results so far."

Part of the program's success is that it opens lines of communication between buyers and sellers. The Mondanis have been receiving carcass data on their cattle, which they've found to be useful when communicating the past performance and quality of their cattle to potential buyers.

"The data we've been getting back on our calves has been great," Teresa says. "In 2007, our calves went 89% Choice with more than 50% of them qualifying for *Certified Angus Beef*® (CAB®).

"I would encourage anyone that wants to put money in their pocket and promote their Angus genetics to take part in this program," she continues. "We have really enjoyed the exposure that AngusSource has brought to our herd. We feel like our program is much more recognizable within the industry because of AngusSource — and that we're much better positioned to produce quality products for consumers."

"The program has worked well for us," Hines adds. "It's added value to our calves, and captured the attention of people who want these kinds of cattle. I've been happy with the results we've seen."



Left : Cattle enrolled in the program are identified with the official AngusSource ear tag and verification certificate, and this verification remains intact throughout the animal's lifetime and through all marketing and production channels.