# Gateway to Profit

Themed "Gateway to Profit," the 2010 Beef Improvement Federation (BIF) Research Symposium and Annual Meeting was hosted in Columbia, Mo., June 28-July 1. More than 500 producers were on hand to listen to the program in which experts from across the United States and abroad discussed leading genetic advancements and offered practical solutions to help attendees adapt technologies to individual operations.

According to event planning committee co-chairman Bob Weaber of the University of Missouri (MU), this year's committee made a special effort to bring advanced science to a practical level to fit the needs and interests of the audience. General sessions focused on "Genetic Selection to Achieve Your Profit Objective — Using Today's Tools" and "The Future of Beef Cattle Selection in the United States."

In addition, BIF's five standing committees took a deeper, more technical look at advancements within their respective emphases of cow herd efficiency and live animal, carcass and end point; producer applications; genetic prediction; selection decisions; and emerging technologies.

Angus Productions Inc. (API) provides comprehensive online coverage of the BIF symposium at *www.bifconference.com.* Summaries of the sessions, along with PowerPoints, audio and proceedings are provided in the site's newsroom. You can also find photo galleries of the tours and announcements of the award winners on their respective pages. The online coverage is made possible through a reciprocal agreement with BIF and the sponsorship of Biozyme Inc.

Following are some of the highlights of the conference.

## Adding Value to a Weaned Calf Marketing System

Can beef producers make a program for preconditioned calves pay? Mike John with MFA Inc. and John Ranch Inc. says that depends on a number of factors. As director of Health Track Operations for MFA in Huntsville, Mo., John has put nearly 400,000 calves through the program, as well as the calves on his own farm, to gauge profitability.

"The factors I have come to understand in terms of profitability both on our own operation and through the MFA Health Track program are season, genetics, critical mass, health, condition, shrink and capturing any marketing program premiums," John says.

Producers can benefit from the timing of sales. John observes that the best time to market an 850-lb. steer in the Midwest is mid-August, barring any exceptional corn price fluctuation. Since feed costs trend lower through summer and often through harvest, the ability to profit from added weight on spring-born calves should be significant.

Genetics is another important factor. "Calves that are bred to perform well in feedlots will also do well in preconditioning programs. Crossbreeding with bulls that have some frame, muscle, feed efficiency and weaning growth accuracies should pay off in such a program," he says. "The more consistent the group of calves, the easier they are to feed. Genetic similarity and a 60-day calving period are worthwhile goals."

Having a truckload of calves to sell increases efficiency and can bring higher prices. But the average herd size is less than 40 head, so producers tend to ignore the value of critical mass. John says tighter calving periods, combining loads with other producers and preconditioning programs that allow pooling are possible options to capture more value.

"Health is extremely important in a preconditioning program. Health Track records of calves that get sick during the 45-day preconditioning period show morbidity ranges from 0.35% to nearly 5%, based more on when vaccinations are given than on what brand. Using [modified live-virus (MLV) four- or five-way preweaning vaccinations] as a first round provides the absolute best protection," he says. "Adequate nutrition also plays a key role in developing immunity."

As for condition, John says the market seeks medium-fleshed calves that have frame and muscle and will perform well and stay healthy. Maximizing weight gain into the appropriate season's market without getting too fleshy is the best advice, he adds.

"Preconditioned calves also shrink less than bawling calves," he says. "If you do the math, 5% shrink on a 500-lb. calf is 25 pounds. At $1.25 per pound, that's $31.25. If you can save that much shrink, you can save that much money per head."

Finally, John says you may have access to market premiums, but there are no guarantees you will get them. "There is a cost to value-added programs. You must determine if you have a chance in your marketing scheme to capture enough premium to pay it," he says.

*— by Barb Baylor Anderson*

## Adding Value to a Retained-Ownership/ End Product Marketing System

Ten Missouri cow-calf producers decided a decade ago they wanted to learn more about how to add value to their cattle by finding out how their calves performed beyond the farm gate. Through a handshake agreement, the producers created NEMO Premier Beef Marketers. Today, they report, returns from retained ownership are greater than they would be selling calves at the sale barn.

"We wondered whether retained ownership was a smart option," says Imogene Latimer, veterinarian and beef producer. Latimer helped organize the NEMO group with the help of the MU Extension Beef Team. "We've only lost money per head in one year out of 11 on both steers and heifers. Over the years, our value-added profit per head has averaged $37.65."

Producers in the group use similar genetics and vaccination schedules and are enrolled in age- and source-verification programs. On commingling day, calves are weighed, sorted, frame-scored and tagged. The group has marketed more than 5,000 cattle, averaging more than 400 head per year.

NEMO Premier Beef Marketers has worked with a number of feedlots over the last few years, but today sends all of its cattle to one lot. They generally maintain about 50% retained ownership of the calves, finance feed through the lot and may or may not handle their own risk management any given year. They receive data that is incorporated into future herd decisions.

For example, the Latimers have a herd of about 200 head of commercial cows that from 2000-2004 yielded 60%-65% Choice calves. Natural sires were selected to improve the data. In 2006, the Latimers decided to also try timed artificial insemination (AI) on 90 head. The AI worked so well that in 2007, they artificially bred more cows. By 2008, the Choice percentage had climbed to 79.7¢, and was more than 80% Choice in 2009. So far in 2010, the percentage is 84.

"We have higher percent Choice and higher carcass weights for higher gross carcass values," she says. "The cattle must perform well in all areas for higher profit potential."

Latimer cites as possible risks the health of the animals, the potential for high cost of gain, financial penalties with non-conforming carcasses, inopportune marketing windows and working with producers who may have unrealistic expectations of the program. But she adds that the benefits far outweigh any concerns, as they gather valuable data on the cattle they raise and improve profitability, as well as gain experience with other segments of the beef industry.

*— by Barb Baylor Anderson*