



Your Link to

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Patience, like balance, is a virtue

Spring bull sale season is almost here, forcing us to make some reasoned guesses. It's aggravating that last year's breeding decisions have not even begun to play out as the calendar dictates that we think about another set of genetic inputs for the coming months. Even worse, the jury is still out on today's first-calf heifers, conceived almost three years ago. Feedlot and carcass payouts for their first progeny won't come home to the bottom line for another 14 months or so. Breeding cattle is clearly no task for the impatient.

Many related factors move much faster than genetic progress in a cow herd. Volatile prices of feed and other inputs keep us on the edge of our seats, tuned in to market reports. Ample rainfall and a mild growing season make for later weaning and more stocker cattle, while cheaper corn and lower calf prices push more of us to consider retained ownership.

If only we could breed to create the "right kind" of calf for the different scenarios, but that's unlikely in the face of interacting seasonal, annual and future trends. Yes, sometimes there are spot choices that can target a marketing opportunity or exploit a supply gap for any class of cattle. But responding too quickly to perceived trends with a genetic quick fix carries risk that the trend will move on before resultant offspring come

to market. Meanwhile, the replacement females that find their way into our herd may not be the balanced type that will lay the foundation for generations down the road.

Consider the 2009 trends in the boxed beef market. We saw the price difference between Choice and Select carcasses narrow to nothing for a few days, and then remain under \$8 per carcass hundredweight (cwt.) for the rest of the year. The combination of poor economic conditions worldwide, along with exceptionally high-grading cattle at the packing plants, has depressed premiums for Choice and higher-grading beef.

What is correct response?

How we respond, as cattle breeders, to this short-term market change is a key point. If we give up on quality, focusing only on pounds or some other trait that fits 2009 or guessed-at 2010 conditions, there may be unintended consequences. We know how that long generation interval tries our patience, but given that fact, how can we hope to predict the beef market when today's bull purchase finally culminates in a fed steer going to harvest? The crystal ball just hasn't been invented that will get those answers for us.

It seems intuitive to stay on a course that gradually creates a cow herd that cranks out beef calves that the market has historically accepted very well. Let's look at some parameters that might define a set of "balanced" calves with regard

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to the feedlot and carcass traits that we can affect through selection.

With unknown genetics, purchase price, sale price and health may be the big three when it comes to feedlot profit and loss. We can't select for those traits anyway, so let's look at feed conversion as the first profit factor that we can enhance through selection. No doubt about it, cattle that convert less feed into more beef are going to be in the driver's seat.

Table 1 depicts the range in feed conversion (pounds of feed per pounds of gain) for more than 32,000 steers placed on feed in Certified Angus Beef LLC (CAB)-licensed feedlots from January 2007 through December 2008. Each of these groups, measured on a pen-by-pen basis, had an in-weight between 750 and 900 pounds (lb.). Sorted by quartiles, the top group represents the most efficient cattle and on down through the quartiles to the bottom.

The poorest cattle in the top quartile had almost a full pound better feed conversion (0.93 to 1 lb.) than the best of the bottom-quartile cattle. If the cattle were to arrive weighing 825 lb. and finish at 1,400 lb., we could calculate a cost-of-gain advantage to the more efficient steers of \$7.56 per cwt. at a dry-matter ration cost of \$160 per ton. The net advantage is \$43.47 per head. Efficiency may be difficult

to measure and select for in a balanced way, but it obviously pays dividends.

Again, focusing on postweaning traits for fed cattle that we can manipulate through selection, let's look at marbling and quality grade. Table 2 shows hypothetical progeny groups from three different cow herds with differing levels of quality grades, *Certified Angus Beef*[®] (CAB[®]) brand acceptance rates and yield grades. With everything else held constant, we can compare below-average grading cattle to those that are average and those that achieve excellent quality.

Using a moderate \$8 Choice/Select spread and the \$7 net discount for Yield Grade (YG) 4s common in northern plants, the spread between even the average and the high-grading cattle is \$23.74 per head. If Choice values, and therefore increases in CAB and Prime values, increase by a couple of dollars, the difference becomes dramatic.

Finally, there's red-meat yield, which factors heavily in the yield grade equation and in figuring the carcass dressing percentage. Genetic selection can alleviate some problems in this area. The key is to move the herd to beyond minimum requirements for ribeye size, without falling for the ruse that "bigger is always better." CAB brand specifications allow for a range of 10 to 16 square inches (sq. in.) of ribeye. However, a good understanding of historical carcass data from a single cow herd's progeny is the best tool for genetic selection for ribeye size.

Today's heavier steer carcass weights have averaged above 850 lb. At that size, they would need at least 14 sq. in. of ribeye to avoid a negative effect on the USDA formula for yield grade. Adequate muscling is important in achieving higher red-meat yield. It's also important to the goal of selling more pounds. A 1,400-lb. steer that dresses at the industry average of 63.5% puts 21 lb. more carcass weight on the ticket than a steer with the same live weight but lighter muscling that leads to a 62% dressing rate.

Granted, this discussion angles heavily toward postweaning factors that do little to address the factory that is the "mother cow," but at the end of the day a balanced breeding approach encompasses both the saleable calf and the replacement heifer. History tells us to remember why we produce beef and stay true to both consumer demand and cow herd function. It may not be the flashy approach, but it will likely keep us in the game to see more trends come and go.

Table 1: Feed efficiency groups for steers with in-weights between 750 lb. and 900 lb.

Efficiency group	Feed-to-gain ratio
Top quartile	5.16-to-1 through 5.96-to-1
Second quartile	5.97-to-1 through 6.22-to-1
Third quartile	6.23-to-1 through 6.8-to-1
Bottom quartile	6.89-to-1 through 8.46-to-1

Table 2: Grid pricing returns for progeny groups with differing carcass quality and yield grades

Progeny group	% Prime	% Choice	% CAB [®]	% YG 4	Net premium or discount
Low-grading	2%	50%	15%	8%	-\$16.86/hd.
Avg.-grading	4%	70%	25%	12%	+\$6.88/hd.
High-grading	6%	90%	35%	16%	+\$30.62/hd.

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