



Your Link to

by **MIRANDA REIMAN**, *Certified Angus Beef LLC*



Research bottom lines updated

- ✓ Keep cattle healthy.
- ✓ Select for disposition.
- ✓ Manage for marbling.

These recommendations are all backed by science, and the details are available in a series of late 2012 updates of the “Black Ink Basics” technical bulletins. Certified Angus Beef LLC (CAB)

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published the first of these technical bulletins in 2005 and added several years of data and other analyses to the current versions.

“Poor Calf Health is a Disease of Profitability” points out the true costs of sickness — to the tune of \$365.01. That’s the spread between healthy calves and those treated twice for disease. The sheet breaks down all the costs, from lost quality grade to decreased performance.

The other bulletins follow a similar format with a bottom line, summary facts and a brief section on materials and methods. Charts illustrate the numbers.

“Profit potential is directly affected by genetic composition of calves. While some crossbreds deliver part of the package, the bottom line is that Angus cattle gain and grade,” says one of the sheets. “Producers use more Angus genetics from cow herd to feedlot for many reasons, including more than \$350 million that packers have paid in *Certified Angus Beef*® (CAB®) grid premiums since 1998.”

It continues with a chart that shows four quartiles by degree of Angus influence, which points out the advantage of those with more than 75% Angus breeding. Because of improved feedlot performance, better quality grade and fewer health problems, they returned \$55.06 more than those with less than a quarter Angus influence.

Tips to take action

The easy-to-read research suggests action steps to increase profit.

From handling to facilities, many factors affect temperament, but rapid improvement can be made through the use of the Angus Docility (DOC) expected progeny difference (EPD).

Fewer injuries and ease of working cattle are obvious benefits, but those calm cattle also earn \$57.69 more on the grid than their aggressive penmates. They had double the rate of Choice, Prime and CAB brand acceptance in that comparison (see chart at www.cabpartners.com/educators/tech-sheets/bib-nervous-cattle.pdf).

There is a common theme in all of the technical sheets: More marbling equals more dollars. But why?

“Marbling is Key” puts some numbers to that well-known fact. People will pay more for higher-quality beef because it gives them the best chance of a good eating experience.

Flavor and tenderness account for 91% of the variation in beef, and marbling is the biggest driver of both of those. That’s why the probability of a

BLACKink™ BASICS

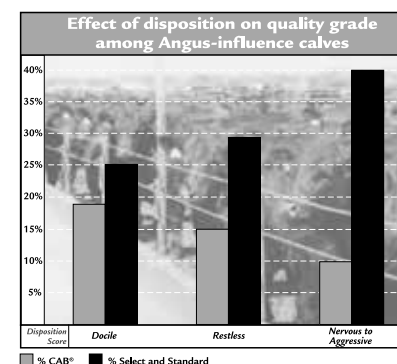
NERVOUS CATTLE WRECK PROFIT POTENTIAL

The Bottom Line

The economics of attitude are clear: favorable disposition equals higher postweaning calf value. Calm cattle reduce injuries and facility damage, stay healthier, perform better on feed and earn higher grid premiums. Their more-aggressive pen mates may be leaner, but their owners pay in higher death loss, carcass quality discounts and higher feed-to-gain ratios. Human contact, handling and facilities affect temperament, but it is subject to rapid improvement through genetic selection, made simpler with the Angus Docility (DOC) EPD.

	Disposition Score			
	Docile	Restless	Nervous to Aggressive	
Quality Grade premium	\$13.11	\$9.88	PAR	
Yield Grade premium	PAR	\$0.73	\$3.66	
Light/heavy carcass weight discount	\$0.15	PAR	-\$0.73	
Dark cutter/hardbone discount	PAR	-\$0.01	-\$0.27	
ADG Bonus*	\$34.74	\$23.07	PAR	
Death loss discount**	\$1.60	\$2.07	-\$10.89	
Treatment Cost***	-\$0.14	-\$1.16	PAR	
Net Dollars Returned	\$49.46	\$32.51	-\$8.23	
\$ Difference	\$57.69	\$40.74	PAR	

*Based on pounds of additional carcass weight gained during the feeding period.
**Accounts for cost of gain investment and loss carcass value.
***Includes medicine, labor and chute/equipment charges.



ACKNOWLEDGEMENTS

Data source: Iowa Tri-County Steer Carcass Futurity.

Summary Facts

Docile cattle compared to aggressive pen mates

- Earned \$57.69/head more on a grid
 - \$13.11 more quality grade premiums
 - Double the percentage of Prime and Premium Choice
 - Less than half the percentage of Standards
- *Certified Angus Beef*® (CAB®) brand acceptance 19.1%
 - More than double the rate for CAB-eligible aggressive cattle

Aggressive cattle compared to docile pen mates

- Produce less desirable carcasses
 - Leaner, lighter, tougher¹
 - 25 percent more dark cutters²
- Since cattle are always alert, they are harder to identify for treatment
 - Fewer trips through the chute than needed
 - Higher death loss

Lower feedlot gain and efficiency

- Net \$34.74/head feeding loss

Materials & Methods

- Data represents 68,241 calves from 14 states fed in 21 southwest Iowa feedlots from 2002-2011.
- Vaccination, implant and nutritional programs were consistent across participating feedlots.
- Calf dispositions were determined using a six-point chute scoring system developed by the Beef Improvement Federation (BIF). Calves were scored docile (1), restless (2), nervous (3), flighty (4), aggressive (5), and very aggressive (6).
- Calves were evaluated on temperament at least three times between delivery to the feedlot and final sort.
- Example grid* values were applied to the USDA 5-Area Average for June 2011 to June 2012.

*Example grid can be found at www.CABpartners.com/marketing/CABexamplegrid.pdf

¹Voisinet, B.D., T. Grandin, S.F. O'Connor, et al. 1997a. *Meat Sci.* 46:367-377.
²Voisinet, B.D., T. Grandin, J.D. Tatum, et al. 1997b. *J. Anim. Sci.* 75:892-896.



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Questions?

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positive eating experience is so highly correlated to quality grade. The odds with modest and moderate amounts of marbling — the threshold for CAB acceptance — is 82% to 88%. That’s in stark contrast to low-Choice at 62% or Select at 29%.

Just as consumers decide with their dollars, professional meat buyers do the same. A two-year snapshot of wholesale beef prices revealed the average CAB premium over Select was \$15.31 per hundredweight (cwt.), with a high of more than twice that amount. Put to an individual animal measure, an average 1,307-pound (lb.) CAB-qualifying steer would bring \$127.10 per head more than Select grade. That’s compared to \$62.31 per head for a Choice vs. Select animal.

The higher price point for higher-quality beef translates into higher premiums at the producer level, too, according to agricultural economists in footnoted references.

The technical sheets still offer practical recommendations, but today’s economic conditions accentuate the value of many of the potential genetic and management changes.

For example, “The Cost of Variability” used to report a \$459.14-per-head difference in carcass value for cattle from

the same pen. In the new edition, that figure jumps to \$695.03. Imagine if you could get the lowest-carcass-value steers in your pen to jump up to those higher dollar amounts. To say the least, it could be significant for your bottom line.

Carcass weights, average daily gain (ADG), grid premiums and discounts all counted toward that final number.

This data crunch is interesting for those who like to answer questions and find out what the numbers say, but it becomes far more valuable when the knowledge is put to use. These tech sheets are designed to highlight the take-homes from each analysis. You can read them and use the information to help make genetic or management decisions.

We hope you’ll consider doing just that and bring home more black ink to your 2013 bottom line.

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