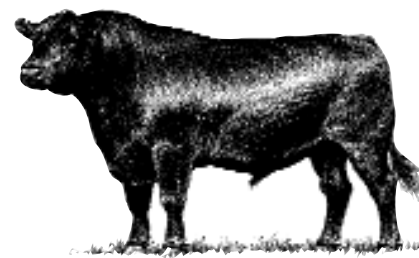


ANGUS

BEEF BULLETIN

"The Commercial Cattleman's Angus Connection"

Volume 21, Number 1 • January 2006



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Don't let your cattle get Lost in Translation

The AngusSourceSM program earns USDA approval, translates value of Angus-sired cattle.

Story by

CRYSTAL ALBERS

There's a new language cropping up in sale barns nationwide. "Information" is becoming the native tongue of cattle buyers everywhere, and terms such as "documented value," "age and source verification," and "process-verified" are proving to be the dialect of choice.

Producers are consistently presented with such terminology and countless other inquiries at sale time. Buyers are seeking information about an animal's age, source of origin, genetic makeup, health history and management — and they're willing to pay more for it.

To translate the value, producers like Norman Kanak, Bluestem Cattle Co., are taking a proactive approach. The Grant City, Mo., producer has enrolled his Angus-sired cattle in the AngusSourceSM program for the last two years.

"Everyone is aware of the fact, and if they're not, they're going to become aware of the fact that without all the documentation you can get on these cattle, they're not going to be available to just any market," Kanak says. "The more you can prove on them, the better off you're going to be."

Developed by the American Angus Association in August 2003, AngusSource allows commercial producers to differentiate Angus-sired feeder cattle and replacement heifers from other black-hided cattle, while documenting source and group age. Enrolled cattle are identified by an official ear tag and an AngusSource Document, which can be customized to include additional information such as management, vaccinations and carcass data.

Ty Groshans, Association assistant director of commercial programs, says producers like Kanak are on the right track.

"The best genetics and management

practices will only be rewarded if they are documented and conveyed to potential buyers," he says. "Documented information is key to accessing premiums, and AngusSource offers a way to do that."

The program has already helped Kanak and others turn documented information into dollars and capture otherwise unrealized value. Now, AngusSource is offering producers even more.

PVP translates into value

The U.S. Department of Agriculture (USDA) has recognized AngusSource as a Process Verified Program (PVP), notes Jim Shirley, Association director of industry relations.

The distinction allows the government agency to conduct routine, independent, third-party audits of AngusSource, ensuring program quality and consistency. Through the PVP, AngusSource documents a minimum of 50% Angus-sired genetics, source and group age claims.

"As a PVP, AngusSource has achieved a higher level of integrity, giving buyers increased confidence when purchasing genetic-, source- and age-verified cattle," Shirley says.

Those three verifiable components — age, source and genetics — once documented through the AngusSource system, become a producer's passport to key markets.

Group age. Shirley says AngusSource first sought PVP designation when Japan began demanding age verification as a prerequisite for accepting U.S. beef imports. With Japan's borders now open to U.S. beef from cattle aged 20 months or younger, cattle from a USDA-verified



(Continued on page 4)

Lost in Translation

(from page 1)

well be prepared," he says. "We're just getting ourselves in line to be where we need to be on source verification."

Genetics. It also pays to identify your cattle as Angus, Shirley says. Known for their superior marbling traits, carcass quality and ability to perform in the feedyard, Angus-sired cattle are bringing more dollars at auction markets. Shirley points to data collected by a Certified Angus Beef LLC (CAB)

"Here's the Premium" long-term price study. It showed that producers who sold high-percentage Angus feeders at auction in spring 2005 received an average \$31.80 more per head compared to non-Angus feeder cattle.

"There's an excellent market out there for Angus genetics, especially in the higher-quality branded beef programs," Shirley adds. "There is value to these processors to get cattle that are truly Angus."

Jim Riemann, CAB president, agrees. In addition to producer benefits, he says AngusSource has value at all levels of beef production.

"Producers are going to very easily be able to identify animals as being a minimum of 50% Angus genetics. That should have tremendous value to both the cattle feeding industry and packers, as well as to Certified Angus Beef, and even some of the other branded beef programs," Riemann says. "The PVP designation brings a very high level of integrity to the entire market effort for Angus genetics. It's a system audited by USDA; it's a well-documented system."

Become fluent

To maintain such a well-documented system and meet audit requirements, AngusSource enrollment procedures have changed somewhat, Moyer notes.

To be eligible for the program, cattle must:

- 1) be sired by a registered, and properly transferred, Angus bull;
- 2) be enrolled by the ranch of origin; and
- 3) have a documented month, day and year of birth for the oldest calf in the group.

Interested producers must first complete the AngusSource Producer Participant Enrollment and Agreement forms, available from the Association at (816) 383-

5100 or downloadable from www.angussource.com.

"One hundred percent of our suppliers are evaluated before they can supply cattle to the program," Moyer says. "All producers must

meet criteria for production practices, recordkeeping, etc., before they're allowed to enroll."

Qualifying producers will be trained by Association staff, and are required to submit calving records to verify birth date of the oldest calf. Ownership of sires used is verified as well as lease agreements and

semen receipts for non-owned bulls. Once all requested records are obtained, enrollments are processed, and producers are placed on the approved supplier list.

Shirley says AngusSource tags, available as a visual tag for \$1 or as a visual tag plus a radio frequency identification (RFID) tag for \$3.25, can then be shipped to producers. Tags are custom-printed with the calves' state of origin and lot number, AngusSource logo, a 15-digit unique animal number, and herd management code.

In addition, an AngusSource Document is created for every group of enrolled animals. Moyer says the document serves as an invaluable tool that includes an official USDA Process Verified shield, contact information for the ranch of origin, a genetic profile of registered Angus sires, group age, and a lot number that corresponds with the number printed on the program tag.

"We maintain a continuous system, whereby that documentation is tied to an ear tag that is currently on that calf," she says, adding that AngusSource documents are stored electronically and are accessible online. "From that point on, anyone along the production chain can request that information about source, age and genetics. We've made it easy."

However, to maintain program integrity and meet PVP requirements, Moyer says a minimum of 10% of producers, randomly selected from each Association regional manager territory, will get reevaluated onsite annually. "An Association regional manager or other trained person

will go on site, sit down with a producer and go through their production records pertinent to AngusSource," she says.

The process helps maintain the integrity of the program and, while it may seem like an arduous task, Moyer says it creates consistency across the board.

"As a buyer, regardless of whether I buy AngusSource cattle from a producer from Colorado or one from Florida, I know the information I'm getting has been verified in the same way and has the same amount of accuracy to it," she says.

Breaking language barriers

Adopting the technical language of the industry requires a bit of work, but, Shirley says, it's worth it in the end.

"It seems like a lot of work, and it is more than what we've required in the past, but our staff is committed to making it the easiest process-verified program available," he says. "It's not difficult; it just takes some time and effort."

Loutzenhiser wasn't fazed by the process. "It was a little different from last year," he says. "I suppose we spent an hour on the phone with AngusSource, making sure all the bulls were right and everything was in order, but it wasn't a real big deal."

Groshans cautions producers against being misled by "verified" programs. "The word 'verified' has become a catchphrase in the marketplace, but don't confuse 'verified' with 'process-verified,'" he says. "Process Verified Programs are monitored by the USDA and are the only programs eligible to carry the USDA Process Verified shield."

Moyer says the AngusSource Document will ascertain whether an animal is PVP-certified. If cattle are certified, the document will carry the USDA shield.

But what of cattle enrolled in AngusSource prior to the program's PVP status, effective Oct. 10, 2005?

"Producers can bring their cattle into conformance by contacting the AngusSource staff and supplying all the needed records," Moyer says. "Once they come into compliance, their documents will be changed to reflect that."

Moyer adds that producers shouldn't be discouraged if their cattle don't meet initial requirements. "Just because you don't meet the requirements this year doesn't mean next year's calf crop can't," she says. "Through training and continued work, you can bring your cattle into the program."

Visit
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or call (816) 383-5100
for more information
about AngusSource.

Founded March 1985
ANGUS
BEEF BULLETIN
"The Commercial Cattleman's Angus Connection"

Produced and published five times per year by Angus Productions Inc. in cooperation with the American Angus Association and Certified Angus Beef LLC.

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