

Cattlemen's College Kicks Off Annual Convention



Convention attendees take advantage of educational opportunities.

At the outset of the event and with roughly 6,000 cattlemen and women registered to attend, National Cattlemen's Beef Association (NCBA) President Bill Donald said the 2012 Cattle Industry Annual Convention and NCBA Trade Show would be a convention to remember. More than 8,000 attended the event in Nashville, Tenn., Feb. 1-4, making good on Donald's promise.

"Nashville is a legendary city known for its rural roots and country beats, and this week America's cattlemen and women are taking the city by storm. We're here to highlight some of the successes of the past year while also setting goals and priorities for what lies ahead," Donald said. "From today's Cattlemen's College sessions to the many other educational events that will take place over the next three days, cattlemen and women will have the opportunity to hear directly from the experts about how to sustain and improve their operations."

After learning about the latest trends and technologies in the industry during Cattlemen's College and attending the NCBA Trade Show, convention goers will have the opportunity to attend committee meetings and take part in NCBA's grassroots policy process, Donald said.

"It is important to let the voice of our producers be heard. The grassroots policy process is the backbone and the strength of NCBA. Cattlemen come together to discuss policy priorities and then chart the course forward for NCBA," Donald said. "From cattle health and federal lands to marketing and tax policy issues, there will be critical issues addressed this week."

Attendees took advantage of the educational opportunities provided at the 19th annual Cattlemen's College® Wednesday, Feb. 1. The event, which is sponsored by Pfizer Animal Health, featured speakers and sessions encompassing a variety of topics that are important to farm and ranch owners and managers.

Following is a sampling of the coverage presented by Angus Productions Inc. (API) as part of its coverage of the convention. You can find API's complete coverage in the newsroom at www.4cattlemen.com.

Achieving Farm Business Success in Turbulent Times

Bob Milligan, a Cornell University professor emeritus of economics, challenged Cattlemen's College attendees to imagine what the beef industry, agriculture in general, and the U.S. economy will look like in 2042 — 30 years from now. While no one has a crystal ball to the future, Milligan, who is today a consultant to various sectors of the ag industry, said he anticipates change will continue — and at an increasingly accelerated rate.

Of agriculture, Milligan said, "We are seeing an increase in variability. I refer to it as turbulence."

How has that changed the way today's farm and ranch operators must manage? Milligan said it has put an increased sense of urgency on everything, but that can often create feelings of stress, pessimism and anxiety.

To alleviate those stressors — and to address the urgency necessary to deal with turbulence in the marketplace, Milligan said leadership is required. Referencing a quote from the founder and CEO of Tires Plus, Milligan told producers: "Stop managing by the seat of your pants."

Specifically, Milligan shared that to turn negative urgency into positive urgency three things are required:

1. Focus on what is important. "Your focus needs to be razor sharp," said Milligan.

2. Be proactive. "View change as an opportunity instead of a loss," he emphasized.

3. Instill in everyone a desire to win. Milligan discussed the traditional "culture" in agriculture, which centers on talking about hard work, low pay and the difficult economy. He said a new culture must emerge — one that focuses on consumer needs, opportunities and being proactive. Milligan said that shift starts with the outlook of the business leader and is then conveyed to the business team of family members and/or employees.

Milligan emphasized that in every business someone needs to roll out of bed every day thinking about the future of the business.

"You can still do the day-to-day work, but planning future strategy has to be an ongoing process as well," Milligan said. "It can no longer be

something you do a couple times of year with your banker."

Milligan encouraged producers to transition their mind-set from that of an operations manager to being the chief executive officer. As the CEO of their business, farm and ranch, operators must think about factors that affect them from the external environment so they can capitalize on opportunities and not be blindsided by the turbulence in the marketplace, Milligan concluded.

— by *Kindra Gordon*

Finding Profitability in Volatile Times

If there has been a winner in these uncertain economic times, it just might be the beef industry. Speaking during a Cattlemen's College session, Western Kentucky University's Nevil Speer told Cattle Industry Convention attendees that current economic conditions afford beef producers with opportunity for revenue growth. Achieving profitability, however, may depend on application of some key management strategies.

Speer noted how concerns about job security, health care costs and personal finances have altered consumer behavior. They are "deleveraging" and attempting to increase personal savings. When buying products, and particularly food, they are looking for value. That's been good for the beef industry.

As evidence, Speer pointed to the \$125 fed-cattle market — a level 55% higher than the \$79 market of December 2009. Beef exports have grown, too, with export value adding \$235 per head (\$19 per hundredweight) to fed cattle.

Speer allowed that beef producers face high production costs, saying the median cash outlay for cow-calf producers is \$535 per cow, and corn price volatility has "amplified." Gone are the days when the average weekly change in corn futures was about 6¢ per bushel up or down. In 2011, he said, the change was 20¢-25¢.

"Going forward, I think we can expect more of the same," Speer said. "Globalization, currency values, energy markets and other factors will influence ag commodity prices and promote volatility."

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PHOTOS BY TROY SMITH

While volatile times do bring opportunities for increasing revenue, Western Kentucky's Nevil Speer reminded his audience that they also bring increased risk.

Speer reminded his audience that they also bring increased risk. He advised producers to lock in margins through contractual arrangements and other forms of risk management. He recommended paying down debt and maintaining higher capital reserves.

"Evaluate expansion opportunities, avoiding cash traps, and manage costs," added Speer, saying costs of production often explain much of the profitability differences among producers.

— by *Troy Smith*

The Challenge of Making a Calf

For cow-calf producers, operating
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"It takes two," Lanette Edwards reminded producers, recommending they evaluate heifers with reproductive tract scoring and bulls with a breeding soundness exam.

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in this era of high input costs only heightens the importance of breeding herd fertility. During the 2012 Cattle Industry Convention's Cattlemen's College, three reproductive physiologists discussed factors affecting heifer fertility and management promoting lifetime reproductive success.

Opening the session, Lanette

Edwards, University of Tennessee, reviewed the complexities of bovine reproductive anatomy, urging producers to consider the multitude of challenges to "making a calf." Emphasizing that "it takes two," she advised application of reproductive tract scoring to evaluate replacement heifer candidates and an annual breeding soundness evaluation

(sometimes referred to as a BSE) for bulls.

Reminding producers of management factors affecting reproduction, including nutrition and handling, Edwards said minimizing stress factors can be particularly important during the first two weeks after breeding.

"The majority of reproductive failures



PHOTOS BY TROY SMITH

"We do affect the fertility of heifer calves, before they are born, by the way we feed their dams," said the UNL's Rick Funston.

are embryonic losses occurring within 14 days of fertilization, while the embryo is still in the oviduct," explained Edwards, adding that the pregnancy becomes "pretty safe" after attachment to the placenta on about Day 42.

Rick Funston, University of Nebraska-Lincoln (UNL), then discussed effects on heifer fertility resulting from the dam's nutrition during gestation. He cited research showing limited benefit to reproductive performance derived from protein supplementation of mature cows grazing winter range or cornstalks. However, supplementation does affect the calves the cows are carrying.

"We weaned more live calves out of supplemented cows, and the calves may wean a little heavier," said Funston, citing results of fetal programming studies. "We do affect the fertility of heifer calves, before they are born, by the way we feed their dams."

Fertility was reduced in heifers born to cows not receiving supplement. In addition, steer calves born to those cows ultimately produced carcasses of lighter weights and fewer carcasses graded upper Choice for quality.

George Perry of South Dakota State University (SDSU), concluded the session with a discussion of heifer



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“Heifers that are properly developed and conceive early in the breeding season have increased longevity compared to heifers bred late in the breeding season,” stated Perry.

“Using the target weight system and developing heifers to 60% of mature weight (by breeding time) results in more heifers breeding early and sets them up to breed early for the rest of their lives.”

—by *Troy Smith*

Reducing the Postpartum Interval

A cow's profitability depends on the number of calves she has, so it is important to reduce the days of postpartum anestrus. That was the theme of the Applied Reproductive Strategies in Beef Cattle (ARSBC) Cattlemen's College workshop. A panel of three experts discussed the technical and practical implications of postpartum anestrus and fixed-time artificial insemination (AI).

Michael Smith, from the division of animal science at the University of Missouri (MU), told workshop participants that the net value of the cow is dependent upon how many calves she

has, which is why reducing the postpartum anestrus interval — how long it takes for a cow to come into heat again after calving (generally 80 days) — is so important.

There are several events that have to happen before the cow can be bred again, which includes uterine involution (which happens by 20 days after calving); a short

seven-day cycle, which does not show heat (which happens 35 days after calving); then postpartum anestrus is prolonged to 75-80 days.

Having calves born within the first 20 days of the calving season increases weaning weight because the calves have been on the ground longer. Cows that

calve in the first 20 days bring in about \$50 more per calf, Smith said. Cows that calve in the second 20 days of the calving season brought in about \$20 more. However, cows that calved in the third and fourth 20-day periods actually lost money. He said it takes the profit from two early-calving

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PHOTOS BY KASEY MILLER

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cows to cover the loss from one late-calving cow.

Factors affecting postpartum anestrus are cow body condition, suckling frequency, age of dam and dystocia.

Smith said that a body condition score (BCS) of 5 is ideal, that cows with any body condition higher than 5 at calving showed no major effects on the calving

interval, yet cows with body condition scores lower than 5 took considerably longer to rebreed.

As suckling frequency increases, postpartum interval increases, Smith noted. Additionally, he advised to breed heifers 20 days before the cows, because it takes heifers about 20 additional days to recycle.

He said that the short, undetected cycle that triggers a full cycle can be mimicked with GnRH or a CIDR®, which, in a study, showed that when timed-AI was used, pregnancy rate was 63.8% in anestrus cows, which caught them up to the 64.8% rate of natural estrus cows.

Cliff Lamb, of the University of Florida, discussed the effect of fixed-time



PHOTO BY KASEY MILLER

Fertility is not a single trait so much as a complex puzzle with many pieces, said Kansas rancher Barb Downey.

AI on lifetime reproduction success. He noted that 40%-70% of cows are culled because they failed to get pregnant or calved too late in the season. If reproduction rates improve, then culling can be a tool to improve other genetic factors.

“Cows will remain in the herd longer if they become pregnant earlier and calve earlier in the season,” said Lamb.

He said that natural estrous detection would have to approach 90% to be more effective than timed-AI. Timed-AI has an average 58% pregnancy rate. In a study where half of the cows were bred on natural detection and the other half by timed-AI, he said that timed-AI cows calved sooner, with more calving in the first 20 days.

More significantly, he said, is that the weaning weight of calves born to cows bred by timed-AI was 425 pounds (lb.), compared to 387 lb. for calves bred on natural heat detection. Overall, he added, cows using timed-AI gained \$49 profit per head.

To aid in using timed AI, Lamb suggested producers use the synchronization calendar tool available at http://iowabeefcenter.org/estrus_synch.html.

Barb Downey of Downey Ranch, Wamego, Kan., shared some practical experiences of reproductive applications. She said that fertility is not a single trait so much as a complex puzzle with many pieces. Those pieces include management of nutrition, stress, genetics and fertility.

“Don’t let a factor within your control be the reason that a cow/heifer comes up open,” she advised.

— by Kasey Miller

Genetics of Disease

Among the topics discussed during Cattlemen's College was the potential for using modern genomic tools to manage cattle health. One session addressed opportunities to develop DNA tests for use in selecting against susceptibility to bovine respiratory disease (BRD).

Information regarding the prevalence, causal factors and strategies for combating BRD was presented by

SDSU veterinarian Chris Chase. Calling it the most significant cattle disease, Chase said BRD results in high mortality, and morbidity costs due to medication, labor and increased feeding time. Adding in costs of reduced average daily gain and feed conversion, BRD represents an estimated \$625 million annual cost to the industry.

Mark Enns, Colorado State University (CSU) geneticist, said the lack of adequate field data has been a barrier to identifying animals most susceptible to pathogens and eliminating them from breeding herds through genetic selection. The problems stem from inaccurate diagnosis, since not all sick animals may be identified and healthy animals are sometimes classified among the sick. Additionally, some susceptible animals are not identified because they were not exposed to the pathogen.

“The result is low estimates of heritability from field data,” said Enns. “But there is evidence showing there are differences in susceptibility.”

Enns cited evidence suggesting the heritability is 0.18, which is not high. It is, however, similar to that of milk production, and expected progeny differences (EPDs) for milk have been used successfully.

“Realizing the field data is noisy, it’s likely [that] the best opportunity for increasing accuracy of selection is through DNA markers,” said Enns. “That doesn’t mean we don’t need data to support good decisions.”

Alison Van Eenennaam, University of California-Davis (UC-Davis) geneticist,

described a new national research project for collecting needed field data. The BRD Complex Coordinated Agricultural Project (BRD CAP) will utilize two separate cattle populations for data collection, with each 2,000-head population divided into case and control groups. Two additional groups (1,000 head

each) will be used to validate results from the discovery populations.

All cattle will be genotyped, using the 700K high-density SNP chip, with the objective of finding gene markers associated with susceptibility to BRD.

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PHOTOS BY TROY SMITH

Problems resulting from inaccurate diagnosis of BRD have led to low estimates of heritability from field data, said CSU’s Mark Enns. However, evidence does suggest differences in susceptibility to the disease.



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"We're hoping," said Van Eenennaam, "with the high-density chip, DNA tests would work across breeds."

— by *Troy Smith*

300 Days of Grazing: Yes, It Can Be Done

In 2008, the increasing cost of feed, fertilizer and fuel prompted University of

Arkansas animal scientists and extension staff to re-evaluate what livestock producers could be doing in their state to curb costs and become more efficient. They came up with an effort called the 300 Days Grazing Program. Today, it is helping producers save hundreds and thousands of dollars, reported Tom Troxel, animal science professor and associate

department head at the University of Arkansas (U of A).

Overall, the program is helping producers be more efficient with pasture, hay and feed management without affecting their livestock production. On average, Arkansas producers feed hay for 135 days.

"With our long growing season and

forage options, there's no reason we should have to feed hay that long," said U of A professor John Jennings.

Jennings pointed out that many producers plan and manage for a hay crop — when they should plan and manage for a pasture crop that the livestock can harvest instead. He offered these four steps for anyone looking to streamline and add efficiency to their forage program:

1. Start with an inventory of your forage base.
2. Determine what management practices could be added to increase seasonal grazing from that forage base.
3. Add complementary forages to fill in seasonal gaps.
4. Plan forage and grazing practices ahead for the year.

From that, Jennings said, "Monitor and adjust your forages and livestock as needed."

Among the strategies being employed by Arkansas producers are rotational and strip grazing; the addition of legumes; improved hay storage and feeding; as well as stockpiling of forages and planting winter annuals for fall and winter grazing.

Also important, said Jennings, is the use of soil testing to determine soil fertility needs to optimize forage production.

Utilizing electric fencing vs. permanent fences is another beneficial tool that allows producers flexibility with their grazing efforts.

Last but not least, Troxel emphasized that planning one or more seasons ahead is critical to success. "Planning helps ensure forage is available when the cows need it," he concluded.

For more about U of A's 300 Days Grazing Program and the grazing demonstration sites set up within the state, visit www.aragriculture.org/forage_pasture/grazing_program/default.htm.

— by *Kindra Gordon*

Risk Management for Cow-calf Owners, Stockers

With no calf futures market, how do you manage risk and limit exposure as a cow-calf operator? Mike Murphy and Troy Applehans of CattleFax addressed this question.

Has the recipe for profit changed, Applehans asked the audience. It still



requires managing fixed costs, marketing, seasonality, developing a plan and discipline.

“Good marketing strategies require knowing your breakeven costs of production,” said Applehans. He admitted that isn’t always an easy number to calculate, but it is imperative to the business. He mentioned that CattleFax is developing a cow-calf breakeven calculator.

With the low cow herd numbers, he said, cow-calf producers carry a big stick right now. Even so, managing risk is important. High-return producers don’t sacrifice on animal health, nutrition and genetics.

In putting together a sound risk-management plan, Applehans advised, know your cost of production; calculate breakevens, and be conservative; analyze the cash fundamentals trend; analyze the basis trend; analyze futures technical trends; set realistic profit objectives/narrow losses; and have flexibility to change. The biggest thing, he said, is to have enough discipline to follow through and act on profit opportunities and trend chances.

Applehans suggested developing marketing strategies with a “whole operation” view; analyze costs on breakeven (dollar per hundredweight) basis and run the numbers; know the long-term, annual and short-term seasonal trends and use seasonal marketing; and stay plugged in with your CattleFax analysts to monitor trends, basis and price expectations.

Don’t leave equity just sitting in the spot market, he warned. It will go away at some point. He also said don’t try to hit the highest part of the market; you will miss more often than not. Aim for a profitable market, but even with risk management, no one knows exactly what the market will do.

Murphy said that it will take 20% more capital and credit to operate in 2012 than in 2010, and 60% more than in the last decade. This increased need for capital “will separate some of us from the business,” Murphy conceded.

He admitted that sustainability equals long-term profitability, and the cattle business is no longer just about cattle. High costs of land, cattle and equipment make it necessary to think outside the box. Maximize your resources — know what you have and how you can use it. Consider forage, equipment, land base (long-term leases could be a possibility), equity and access to capital, knowledge

and skills, and business relationships.

Equipment options include leasing for seasonal needs, sharing, and custom harvesting. Your land base also can have multiple uses, such as mineral rights, wind resources, water, hunting and recreation.

Most of all, Murphy asserted, get comfortable running the numbers. It all goes back to the old saying, you can’t manage what you don’t measure.

With this amount of volatility in the business today, cow-calf operators need to be thinking 10-15 years down the road. Recognize marketing opportunities, and have the discipline to act on them. The market moves way too quickly to wait till tomorrow.

Have a plan to help understand and manage volatility. Take emotion out of the marketplace, because without a plan,

emotion can be a hindrance.

“Once you manage emotion, success will come a lot quicker and easier,” Murphy concluded.

— by Kasey Miller



Editor’s Note: *www.4cattlemen.com is an event coverage site provided by the editorial team at Angus Productions Inc. (API), publisher of the Angus Journal, the Angus Beef Bulletin, the Angus*



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