



Your Link to

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Angus, still the leader

The 2004 election year is over, and it's time for our leaders to get back to the business of leadership. Gone are the political rhetoric and campaign messages that sometimes stretched the truth to support ideas and individuals.

In the beef industry, campaigns never end. The Angus breed has a position of dominance because producers have voted it in as the clear winner for commercial beef herd genetics. The *Certified Angus Beef*® (CAB®) brand is the oldest and largest certified branded beef program in the world because it delivers what consumers want, *Angus beef at its best*.® Naturally, the "Angus Administration" wears a target in the eyes of competitors.

It plays the role of a successful incumbent in a democratic society. If you're not in the driver's seat, you can blame all of the woes on those who are. Back-seat drivers, jockeying for position, continue to sow seeds of doubt about the leaders.

Challengers may argue that other breeds or combinations perform better in

the pasture, feedlot and packinghouse. They might say the Angus breed has become too focused on carcass traits or maternal traits, depending on the critic or situation.

Is the Angus breed perfect? No, but it keeps improving, as the published *Sire Evaluation Report* demonstrates. The facts are enough to keep Angus in power, because producers vote at bull sales every year.

The winning campaign

Here are some new reasons to stick with the leader. Iowa State University data from the 2002-2003 Tri-County Steer Carcass Futurity (TCSCF) shows that in the feedlot, cattle that met the eight CAB specifications had higher average daily gains (ADG) than both black-hided cattle that did not meet those specs and nonblack cattle.

CAB-accepted cattle were fed 10 fewer days than nonblack calves. In terms of feed efficiency, all groups were similar. This study included nearly 7,800 head of cattle, and any differences noted were statistically significant.

There were imperfections. When submitted to the harvest facility, the CAB-accepted cattle had a carcass weight that was 10 pounds (lb.) lighter than the nonblacks, 0.1 inch (in.) more fat at the 12th rib, and 0.9-square-in. smaller ribeye. Rather than hide these facts, we must recognize them as areas in need of improvement.

But let's look further into the issue, all the way to the bottom line. TCSCF data that compare cattle by percentage of Angus influence (0%-25%, 26%-50%, 51%-75% and 76%-100%) show the real advantage to feeding Angus cattle. With actual grid premiums applied to carcass attributes — and discounts dealt to their shortcomings — those cattle with more Angus influence come out on top (see Table 1).

The Angus reward

The market tells us that quality grade premiums will reward producers more than yield grade premiums. This example uses actual Grid-Max data from Cattle-Fax with the Choice/Select spread at \$11.26. Although the higher percentage Angus cattle had fewer Yield Grade (YG) 1 and 2 carcasses, and a few more YG 4s, they also had more USDA Prime and CAB carcasses (which receive premiums), and fewer Select and Standard carcasses (which receive discounts).

If you throw out all of the other data in Table 1 except the quality and yield grade premiums and discounts, there's still almost a \$30-per-head premium in the three-quarter-blood Angus, compared to the quarter-blood Angus.

The CAB-acceptance rate for cattle that were the most heavily influenced by Angus genetics was 34%. For those less than 25% Angus, the acceptance rate was 9.7%, illustrating that if you are serious about earning premiums, you need to step up the Angus percentage in your herd. Those are the

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facts. It's up to you to take advantage of them.

More facts about the CAB program

Licensed packers paid out more than \$50 million in producer premiums in 2003. A loyal and growing team of more than 12,500 licensees worldwide sold more than 500 million lb. of CAB product each of the last five years. The only thing that kept them from selling more last year was lack of supply. The *Angus Sire Evaluation Report* contains all the tools you need to build that supply profitably. It's up to you to take advantage of them.



Table 1: Effect of percentage Angus genetics on net dollars returned per head, using Kansas/Texas grid values

	Percentage Angus			
	0%-25%	26%-50%	51%-75%	76%-100%
QG premium	PAR	\$ 16.73	\$ 20.73	\$ 37.29
YG premium	\$ 7.40	\$ 4.61	\$ 2.60	PAR
Light/heavy discount	-\$ 0.42	-\$ 0.41	PAR	-\$ 0.41
Dark cutter/hard bone	-\$ 0.24	-\$ 0.18	PAR	-\$ 0.10
ADG bonus*	PAR	\$ 11.58	\$ 8.71	\$ 35.30
Treatment cost**	-\$ 2.74	-\$ 1.72	-\$ 1.21	PAR
Net \$ returned	\$ 4.00	\$ 30.61	\$ 30.83	\$ 72.08
\$ difference	PAR	\$ 26.61	\$ 26.83	\$ 68.07
CAB® brand-acceptance rate	9.71%	18.21%	21.33%	34.29%

*Based on the additional carcass weight gained during the feeding period.

**Includes medicine, labor and chute/equipment charges.