



Marketing Update



CERTIFIED RED ANGUS

Pro-Cow

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Red Angus - The Efficiency Specialists

The mere mention of the word "efficiency" as it applies to commercial beef production conjures up a multitude of images in the minds of beef cattle producers. Efficiency issues have been discussed and cussed for eons ranging from heated coffee shop debates about cow efficiency, land grant university hosted cow efficiency conferences, federally funded research efforts differentiating biological versus economic efficiency and, here, more recently, international research efforts debating the utility of residual feed intake as a scientific attempt to measure feed efficiency as it applies to feedlot settings -and the list goes on. Be as it may, breeding a more efficient bovine has been in the forefront of the minds of many Red Angus breeders and commercial users of Red Angus genetics for many years. Indeed, Core Policy 1 of the Red Angus Association as written by the original seven charter members and religiously adhered to by Red Angus leadership over the last 52 years speaks directly to greater efficiency of beef production as follows:

The policy of the Red Angus Association is to discourage the more artificial practices in purebred cattle production and to place its faith instead in objective tests, consisting for the most part of comparisons within herds of factors of known economic importance and known heritability. By making this an integral part of the registration system, Red Angus breeders feel that even faster progress can be made toward the ultimate goal of more "efficient beef production".

Unfortunately, compared to other competing dietary sources of human animal protein that enjoy the benefits

of multiple births, it has been estimated that approximately 70% of the total dietary consumption in beef production goes toward maintenance energy and 70% of that goes toward maintaining the cowherd. In other words, nearly 50% of total energy expenditure in beef production goes to maintaining the cow alone.

The concept of "efficiency" implies some measure of output per unit of input. This brings us to the profitability equation: Profitability = Value of Outputs - Costs of Inputs.

Typically, the US beef cattle industry has focused on the "value of outputs" side of this equation. Increased "value of outputs" has been achieved through intense genetic selection for increased growth rate (WW, YW, feedlot gain, etc.) and carcass merit (carcass weight, marbling, and the components of Yield Grade). However, the US beef cattle industry has focused very little genetic selection attention on reducing "costs of inputs". Profitability is driven by net income after "costs of inputs" are accounted for, not gross income driven by maximum selection only for the traits that contribute to increased "value of outputs".

RAAA Core Policy 8 speaks to these profitability relationships:

The role of the Association is to objectively describe reproduction, growth, maintenance and carcass traits utilizing the fewest EPDs possible to achieve this purpose. The concept of Economically Relevant Traits guides this process.

The Red Angus breed is in an enviable and unique position to genetically select for traits that simul-

taneously reduce cost of production while increasing the value of outputs. In general, the reproductive and maintenance EPDs available only from the Red Angus genetic evaluation have the potential to reduce cost of inputs. In contrast, the growth and carcass traits position Red Angus breeders to also rival competing breeds in growth and carcass merit.

Red Angus genetics have long been highly sought after to contribute greater efficiencies of production to the cow calf sector through:

Lower Maintenance Energy Costs

The RAAA is the only breed that offers Maintenance Energy (ME) EPD. ME EPD helps ensure environmental fit. Cattle run in diverse environments, with each providing different levels of feed stuffs. When cows have higher maintenance requirements than their environment will support, producers must supplement feed, reduce stocking rate or risk reduced body condition scores. Loss of body condition can result in poor conception rates, which in turn leads to increased expense from greater heifer replacement.

Moderate Size With Optimal Milk

Excessive mature cow size and especially too much milk production are economic liabilities to cow calf producers who understand the profitability equation. Red Angus genetics have been used to moderate excessive mature cow size and optimize milk production level for many production environments through the U.S.

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Efficiency minded commercial users of Red Angus genetics continue to fine tune their Red Angus genetic selections to maintain the environmental fit of their cowherds.

Early Puberty With High Fertility

The only predictor of fertility in most breeds is scrotal circumference (SC) EPD which is really only an indicator trait for age at puberty. Not so with Red Angus. Red Angus' Heifer Pregnancy EPD is more than an indicator trait, it selects for producers' desired response - pregnant heifers.

Calving Ease (CE)

Most breeds offer BW EPD as their only genetic tool to reduce calving difficulty. However, selecting for BW alone is flawed as it is influenced by non-genetic factors such as weather, nutrition and other factors. Producers want live calves born unassisted, not just lighter calves. Red Angus offers two genetic tools to reduce calving difficulty. CE Direct (CED) predicts the probability of calves being born unassisted out of first calf heifers. In contrast, CE Total Maternal (CETM) predicts the probability that animals' daughters will calve unassisted at two years of age.

Increase Productive Life Span

Red Angus offers a Stayability EPD which predicts the probability that a bull's daughters will remain in the herd past at least 6 years of age. Replacement heifer development is expensive. University studies have shown the breakeven point on replacement heifers is about six years of age. Females culled prior to this age have not covered their development costs. Females leaving the herd early contribute to higher heifer replacement rates that producers must retain instead of being sold. Many Red Angus breeders also place primary selection emphasis on fleshing ability, udder quality, structural soundness, etc., which contribute greatly to longevity which reduces the heifer replacement rate.

Improved Disposition and Handling

Often, producers with experience in other beef breeds report improved disposition with Red Angus. More favorable calving and processing have been experienced by the users of Red Angus genetics.

Red Hide Reduces Heat Stress

It is commonly accepted that, particularly in more southerly environments, red hided cattle experience less heat stress resulting in improved productivity in both grazing and feedlot situations.

Red Angus genetics also contribute to greater efficiencies of production in the feedlot sector:

Improved Conversion

Red Angus genetics are gaining a reputation throughout the feedlot sector for superior feed efficiency, which has become more important with the jump in corn prices.

Easier to Start and Keep on Feed

One of the best kept secrets about Red Angus influenced feedlot cattle is their ability to start and stay on feed in spite of severe weather challenge. Of great aggravation to feedlot owners/managers is cattle that will not "stay on feed", with constantly fluctuating intake.

Decrease Days on Feed

Red Angus' genetic predisposition for higher marbling allows for the pursuit of quality oriented carcass premiums with fewer days on feed. This also reduces feed costs during the most expensive final feeding days when feed conversions begin to decline. Many feeders report that their Red Angus produce enviable levels of Choice carcasses while producing fewer Yield Grade 4s and avoiding the subsequent discounts.

Improved Disposition Means Fewer Dark Cutters and

Decreased Summer Stress

University studies have also shown that feedlot cattle with a calmer disposition tend to gain faster, more efficiently and produce higher quality carcasses. Dark cutters are a huge economic liability to the feeding and packing sector; Red Angus influenced carcasses tend to have a lower incidence of dark cutting carcasses - perhaps tied to improved disposition and less stress. Compared to black, the red hide also contributes to less heat stress, with less interruption in feed intake, gain and ultimate carcass merit.

USDA Approved Source and Age Verification

Red Angus claims the oldest Process Verified Program in the U.S., the Feeder Cattle Certification Program (FCCP), started in 1994. In 2006, the FCCP was USDA approved to add group age verification to its list of claims. This has created greater demand for FCCP tagged calves and feeder cattle driven by the feedlot sector targeting the Japanese fed beef trade requiring verifiable age under 20 months.

Revisiting efficiency concepts could not be timelier. 2006 ushered in a new era for beef cattle production. Early in the year, fuel prices reached record highs and in the latter half of 2006 corn followed suit due largely to ethanol's competition for energy sources. With the rise in ethanol production, corn demand has reached new levels, signaling big changes for America's corn-dependent cattle industry. Couple this with increased land values and mother natures' wrath ranging from severe long term drought to death dealing blizzard conditions, leads one to contemplate how to become more efficient to remain profitable. Red Angus genetic inputs have the potential to contribute to greater production efficiencies by both reducing the "costs of inputs" and increasing the "value of outputs" simultaneously. Give your Red Angus genetic provider a call today. ■