




**A Cattle Feeder's Perspective on
How Ranchers can Produce Cattle
that Work in All Industry Segments**

By Tom Brink



**Creating Value for you (rancher)
and Value for me (feeder)**

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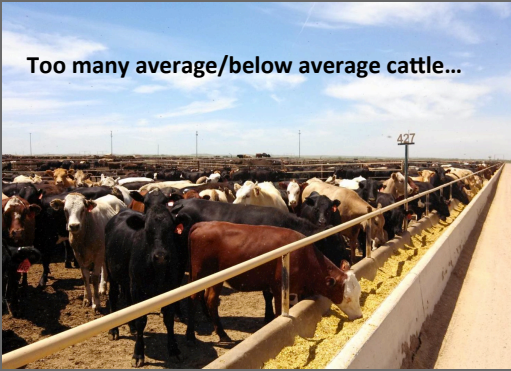
Roger Berglund
Feedstuffs Magazine, NCBA

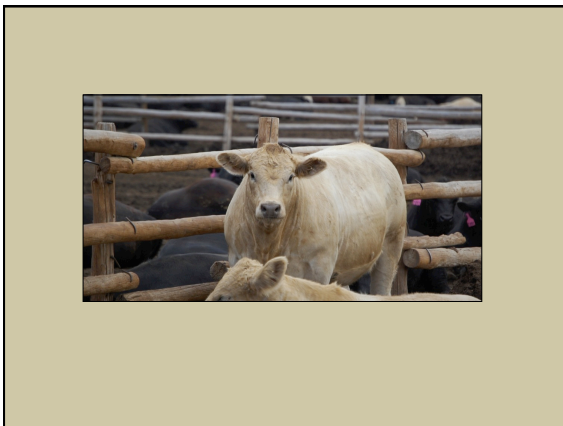
"The essence of successful PR is to do something good, then tell people about it."

"The essence of successful cattle production is to create a highly-valuable calf crop, then tell people about it."

VALUE CREATION
then **VALUE CAPTURE**

Too many average/below average cattle...





Everybody wins with cattle like these!



What cattle feeders' need:
Healthy calves, short-yearlings, and yearling
cattle that grow and grade.

- Minimal Sickness (or none at all)
- High ADG & Low Feed/Gain
- Desirable Finish Weight
- High Quality Grade

Cattle that grow and grade vs. cattle that don't...

Feedyard Closeouts—Yearling Steers	High Growth	Low Growth
	High Grade*	Low Grade**
Number of Pens	151	113
Total Head	36,266	26,729
Death Loss	1%	3%
Placement Weight (lbs.)	806	797
Finish Weight (lbs.)	1,402	1,282
Days on Feed	166	150
Dry Feed Intake (daily lbs.)	20.66	19.92
Average Daily Gain (lbs.)	3.59	3.30
Dry Feed/Gain (lbs.)	5.77	6.05
Feedlot Cost of Gain (\$/cwt.)	88.39	93.64
Dressing Percent	64.6%	64.1%
Prime & Choice	73%	40%
Certified Angus Beef	19%	5%
Yield Grades 1 - 3	89%	95%
Grid Premium (head)	\$39	(\$13)
Value Per Head Sold	\$1,415	\$1,256
Profit/Loss Per Head	44.28	(35.89)

*1,350 lbs. or heavier finish weight and 65% or better Prime and Choice.
**1,300 lbs. or lighter finish weight with 45% or lower Prime and Choice grades.

Cattle that *GROW & GRADE* are Winners!



Lot Statistics		Base Price		Premium Summary	
Lot #	31	USPB	Lot # 13510	Choice	14.55
Head	46,495	Formula Allowance	0.00	Prime	23.53
		Grid Allowance	0.00	CAB	4.43
		Base Lot Price	124.20	BCPR	2.00
		Hot Yield Threshold	63.10%		
		Base Hot Price	(Wt.)		

Moddy Headers	Head	Live Wt	Hot Wt	Base Price	Amount (w/)
Base Lot Amount	66	73,238	46,495	156.72	91,464.96
Quality Grade Adjustments					3,397.85
Yield Grade Adjustments					0.00
Weight Adjustments					0.00
Other Adjustments					2,827.44
Total Cattle Proceeds	66	73,238	46,495		98,490.25


Quality Grade Adjustments	Head	Hot Wt	Actual	TH	Price	WE DR	Extension
Prime	3	2,489	5.35%	23.93	2,489	593.00	
Choice or Higher	54	44,806	59.45%	14.56	19,376	2,804.49	
						0.00	25,872
Subst	3	1,945	3.54%	0.00	1,945	0.00	
No Roll	0	0	0.00%	-10.00	0	0.00	
Hard Bone	0	0	0.00%	-25.00	0	0.00	
Total Quality Grade Adjustments							3,397.85

Carcass Adjustments	Head	Hot Wt	Actual	TH	Price	WE DR	Extension
CAB	40	33,469	71.98%	4.43	33,469	1,461.00	
Over 30 Months	0	0	0.00%	-10.00	0	0.00	
BCPR	9	7,322	15.73%	2.00	7,322	149.44	
Total Carcass Adjustments							1,610.44

Yield Grade Adjustments	Head	Hot Wt	Actual	TH	Price	WE DR	Extension
1	0	0	0.00%	11.88%	3.00	-5.24	0.00
2	16	13,909	27.63%	38.61%	1.50	-4,312	0.00
3	37	31,029	66.74%	37.28%	0.00	13,696	0.00
4	3	2,617	5.71%	12.25%	-10.00	-3,169	0.00
5	0	0	0.00%	1.70%	-16.00	-780	0.00
Total Yield Adjustments							-15.00

Weight Adjustments	Head	Hot Wt	Actual	TH	Price	WE DR	Extension
575 - on	0	0	0.00%	-15.00	0	0.00	
1050 and up	0	0	0.00%	-15.00	0	0.00	
Total Weight Adjustments							0.00
Total Adjustments to Net							6,068.39

\$98 per head over average market price

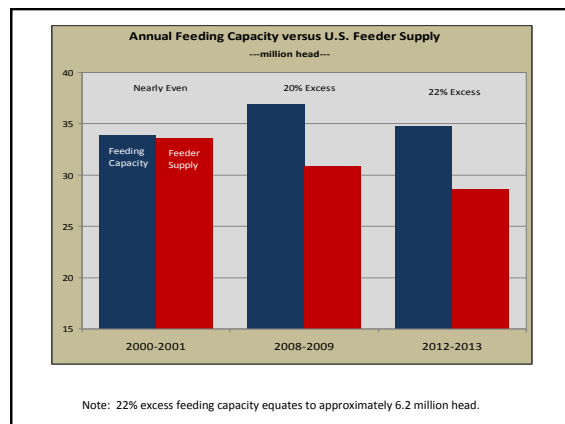


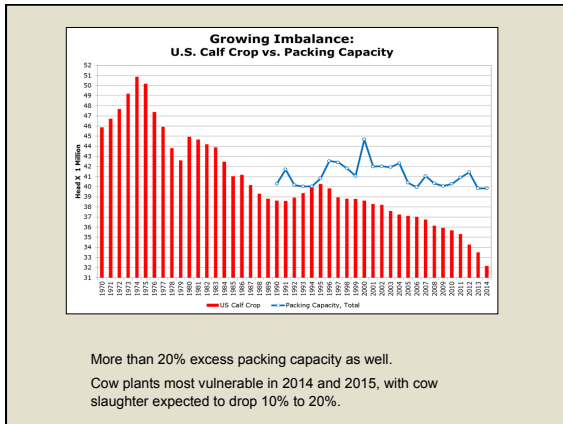
Progressing Premiums

USPB	Top 25% Grid Premium/head
1998	\$26.39
2003	\$45.30
2008	\$64.89
2013	\$117.94

Balance necessary ranch traits with (way) above-average growth and carcass value potential.

- ### FOUR GAME CHANGERS in the NEXT FIVE YEARS
- Exceptional cow-calf profits
 - Shrinking feedlot and packing capacity
 - Mouth-watering success with timed A.I. programs
 - Major impact from high-end genetics and the advent of programs built on them





(2) Exceptional Cow-Calf Profits

From \$250 to \$500 per head over cash costs !!

- Use this period to strengthen your operation for the long term: debt reduction, better genetics, improved cattle-handling facilities, selected new technologies... things that last
- Help a young producer get started or expand a cowherd and build equity for the future

(3) Huge Success with Timed A.I. Programs

- Field Demonstrations in Missouri----73 herds representing 7,028 cows
- Fixed-time AI in postpartum beef cows using the CO-Synch + CIDR protocol
- No heat detection
- Pregnancy rates resulting from FTAI averaged 62% for the 73 herds
- Only 7 herds reported pregnancy rates lower than 50%.

Amazing opportunity *“for those who will”*

Dr. Dave Patterson at Univ. of Missouri Phone: 573-882-7519

(4) Top-End Genetics Running Away From the Pack

- The best genetics available in the industry today are not just a little better than average, they’re clear off the industry bell curve!
- “These high-end cattle make all our old feedlot projections obsolete,” says Judd Butler, manager of Gilcrest Feedyard. “They finish 30-days quicker at heavier weights than average cattle.”

New Era in Cattle Performance is here!


	ADG	Dry F/G	Grid
Average Performers	3.40 lbs.	6.00 lbs.	+\$20
Top 10%-15% Performers	4.75 lbs.	5.25 lbs.	+\$85

Source: Five Rivers Cattle Feeding

Total economic advantage for the top performing cattle is +\$219 per head.



More programs built around the best genetics

Caution: You are now entering the era of specification feeder cattle



Premium prices will be paid for cattle with known genetics that are superior for growth and carcass traits.

Technology 2-Step Project Gardiner Angus Ranch-Zoetis

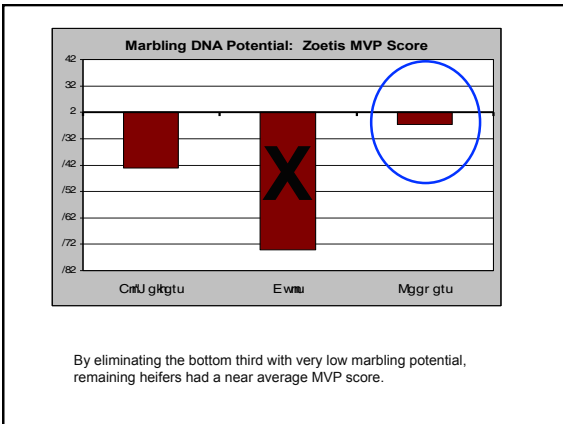
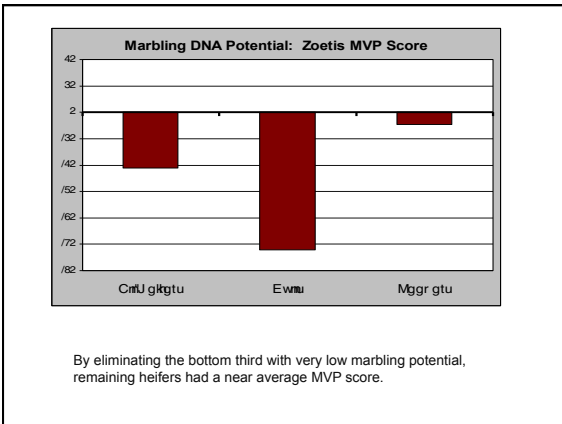
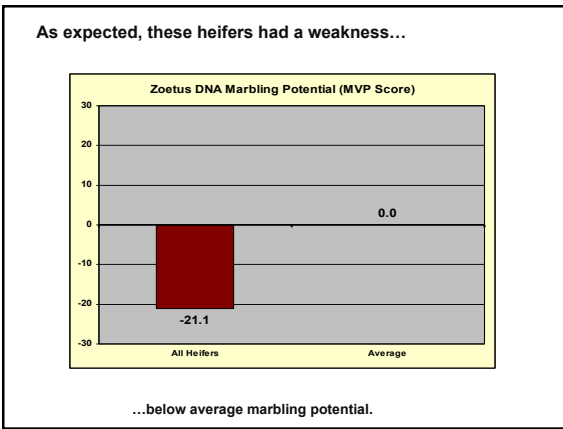



Question: How much progress can be made in one generation by combining two proven genetic technologies? (DNA testing coupled with A.I. to high-growth/high carcass value Angus sires)

Project Goal: Increase Marbling & Grid Premium Potential

Research Methods:


- 104 yearling heifers sourced from one TX ranch in April 2012
(Heifers were not expected to be strong for marbling and quality grade potential)
- All heifers DNA tested by Zoetis
- Bottom third for marbling potential culled, while the top two-thirds bred A.I. to high growth and carcass GAR Angus sires
- Resulting calves being fed out and harvested by Q2 2014






Keeper heifer with a +30.7 MVP marbling score.

Something to build on!




Selected heifers A.I. bred to two GAR Angus sires ranking in the top 6% for calving ease and top 1% for \$B.



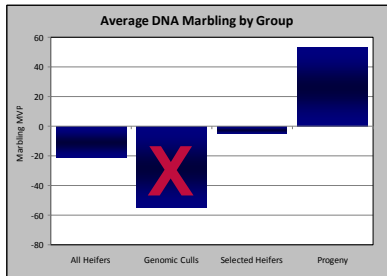
Calving ease suitable for heifers **PLUS** lots of growth and carcass potential.

Results:



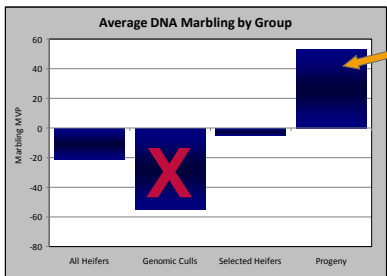
Progeny average MVP marbling score was +53.0.

Average DNA Marbling by Group



By layering two proven technologies, we moved from below-average marbling potential to way above average in one generation.


Average DNA Marbling by Group



Likely to earn a \$60 to \$90 per head grid premium.

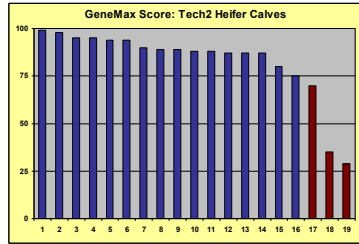
By applying two layers of proven technology we moved from below-average marbling potential to way above average in one generation.

Final Results:



Known by June/July 2014.

What if some heifers had been kept as replacements?



16 out of 19 head scored 75 or higher on GeneMax.
Strong foundation of value for the next generation!

Opportunity Ahead!

- Make the most of it
- Think about the entire beef business
- Help a young person get started in the cow business

