

The Prime Directive



PHOTO BY DALE HEIKES

Improved genetics and focused selection transform an elusive grade into a logical target.

by Jill Dunkel

Breeding for high quality and retaining heifers over generations, Mike Kasten sees results. The Millersville, Mo., rancher closely tracks his herd for its ability to breed and raise a calf on pasture, perform in the feedyard and produce high-quality beef.

It's no surprise that his cows have been doing all that for a long time. Kasten's 38 years of records have shown the way to produce quality while maintaining functionality. The only surprise that emerged

over the years is how the stacked pedigrees have allowed that herd to hit the very top of the premium ladder — *Certified Angus Beef*® (CAB®) brand Prime.

Reaching high

"I work hard to reach that target. That's my goal; 100% Prime would be nice," he says. That's no idle dream today.

"We've used AI (artificial insemination) for 40 years and have tried to pick bulls to get

us there," he explains. Decades of mindful genetic selection have spanned the years from when Prime was a "bonus" to these days when it is a realistic expectation for him and others who follow such a strategy.

Kasten feeds between 200 and 300 of his calves each year at Irsik & Doll Feedyard, near Garden City, Kan. In recent years, his cattle have averaged in the high-20% to mid-30% Prime, depending on a few variables.

"As we've stacked three generations of high quality in our pedigrees, some of those cattle are running in the mid- to upper-40% Prime," he explains. Those that don't reach Prime still make upward of 80% CAB.

Working within the system

That progress has not come at the expense of their ability to perform in the feedyard or grow in the pasture.

"I don't do one-trait selection. We have to have cattle that will work in a pasture situation," Kasten says, "but why not try to get it all if you can? We have the ability to make cattle that are very, very functional on grass, do very good in the feedyard and have Prime carcasses."

Despite his emphasis on females and genetic advancement, Kasten cautions against culling strictly on carcass merit: "It's too expensive to replace them if they are still doing their job."

That's why he selects first for those that raise a quality calf on pasture and maintain a 365-day calving interval. Compound that with 25 years of carcass data, and he has a proven basis for choosing heifer replacements.

"From a reproductive standpoint, a production standpoint and looking at the harvest data on our calves, we have the information we need to select our replacements. These are females that work in our production system and on the rail.

"We are not rearranging what we were already doing," he adds. "We are concentrating what works for us and getting Prime. When it comes to bull selection, from the standpoint of growth, maternal characteristics and fleshing ability, why not get one that also has the marbling with it?"

Jerry Bohn, manager of Pratt (Kan.) Feeders, says more and more producers are targeting upper two-thirds Choice and higher. "The premiums being offered for CAB and Prime certainly play a role. I think you've got more genetics that continue to improve towards cattle that grade higher."

He also sees more feedyards focusing on

► **Above:** Reaching his goal of 100% Prime is no idle dream, says Missouri cattleman Mike Kasten. "As we've stacked three generations of high quality in our pedigrees, some of those cattle are running in the mid- to upper-40% Prime." Those that don't reach Prime still make upward of 80% CAB.

the higher-quality animals. Pratt Feeders uses individual animal management on cattle destined for the grid market.

"We get the big guys out of a pen early on so you can feed the rest a little longer, getting them to grade higher," Bohn says, noting other advantages.

"We try to market every animal to its optimal end point. The cattle do better that way, rather than feeding them all together," he says. "If you're feeding the bulk of the pen to the same end point, some of those calves will get too big."

Management at the yard, in addition to better-quality genetics, has increased the CAB acceptance rate at Pratt Feeders.

"We have higher-grading cattle, with more Choice — and you end up having a few more Prime. With the nature of grade being higher, we see a few more of those bumping up. Anything that kicks up to Prime is gravy on the top."

High-quality beef in demand

Tyler Brown, with JBS in Greeley, Colo., has seen a significant increase in the demand for high-quality beef over the last 18 months.

"It's been even more pronounced in the last six to eight months," says the JBS premium program manager, "and I don't see it subsiding any in the near term. The market is sending a clear message, not just in the foodservice channel, but also in the retail channel. Consumers are demanding a higher-quality eating experience."

Brown says the demand for Prime-grade product has improved similarly to the high-Choice market in those retail stores.

Indeed, the number of CAB retail partner stores licensed and selling CAB



PHOTOS COURTESY OF CERTIFIED ANGUS BEEF LLC

► The number of CAB retail partner stores licensed and selling CAB Prime to customers is up 83% in the last four years, from 252 stores in 2008 to 463 in 2012. Nearly all licensed packers now sell the Prime brand extension.



Prime to customers is up 83% in the last four years, from 252 stores in 2008 to 463 in 2012. Nearly all licensed packers now sell the Prime brand extension.

"Beef costs so much now that it could pressure demand growth," allows David O'Diam, CAB assistant director of business development. "I don't see the premiums to producers going down because Prime is becoming part of the sales strategy in more stores, especially with the end meats."

"The market wants at least a steady supply, but it's becoming a struggle," he says. "Packers were getting into 3% Prime for a while, and that's back to 2% now."

The mid-October CattleFax *Trends* newsletter projects a \$12 Choice-Select spread for 2013. If that is realized, it will be the fourth consecutive annual increase in the market indicator and the second-highest ever.

Those are some of the reasons Brown says the rewards for producing premium beef should remain robust for the next few years.

"Hopefully, that signal is getting to the ranch, to be producing as much high-quality product as possible," he says.

That's music to Kasten's ears.

"Certainly we strive for 100% Choice; we love to have 100% CAB," he says. "With Prime, the more, the better. I keep pushing that, because we don't have to give up anything to reach that target."

AY

Editor's Note: Jill Dunkel is a freelance writer based in Archer City, Texas.

Angus Productions Inc.

Virtual Library

For easy access to all of API's meeting coverage sites, informational sites and other electronic resources, visit:

www.api-virtuallibrary.com

For more information contact API Editor,
Shauna Hermel • 3201 Frederick Ave. • Saint Joseph, MO 64506
shermel@angusjournal.com