



Angus Stakes

► by *Shauna Rose Hermel*, editor

The biggest decision of our day

In June, when the Board of Directors of the American Angus Association voted to explore the potential of a service to generate ancestral records and genetic predictions on Angus-derivative cattle, I had mixed emotions. I am, after all, a breed purist. My concern stemmed from whether this would hurt the marketing opportunities of registered Angus cattle.

As I often do in times of decisional stress, I consulted my dad. Thinking he (as the owner of a herd of 125 registered cows) would be one of those with the most to lose from this deal, I was surprised by his answer: "Someone has to do it. ... We need to be the ones providing the information. ... We have everything to gain with access to the data."

Still pondering

I did a lot of pondering between that June Board Meeting and the Aug. 24 meeting of the genetic task force assigned to look into the issue.

"We could well be addressing one of the most important subjects for the American Angus Association in recent times," Howard Hillman, who chaired the task force, said at the beginning of the meeting, "a subject that could have long-term implications for the Angus breed and the beef cattle industry."

Hillman also stressed that the role of the task force was

not to define a structure, but to address if the Association should consider such a service at this time.

The task force discussed the hard questions about the future of the industry, survivability of cattle operations, competition with hybrid seedstock, financial ramifications for members and the Association, information access and sharing, responsibilities to producers of registered Angus and commercial Angus cattle, responsibilities to other breed associations, and the research time needed before such an undertaking would be feasible.

It boils down to this: The next step in beef improvement on a national level will be getting meaningful data upon which to make individual genetic selection decisions into the hands of commercial cattlemen. *Your future* as a seedstock producer depends on *your* getting that information into their hands. The genetic task force and the Board of

Directors of the American Angus Association took a huge step toward providing you a means to do just that.

Setting the stage

The task force discussion was preceded by requests made to the Board by those outside the breed who look to the Association because it is currently the industry leader in

processing genetic data and ancestral pedigrees.

At the February 2001 Board Meeting, Angus Plus International submitted a formal proposal for the American Angus Association to provide services to Angus Plus. The Board turned

down the request (see "Board Meeting Highlights," April 2001, page 54).

At the June Board Meeting, the Board evaluated a request from the American Simmental Association (ASA) for long-term electronic access to Angus expected progeny differences (EPDs) (see "Board Action," August 2001, page 72). ASA was requesting the Association's permission to use the Angus database to generate more-accurate EPDs for cattle with documented Angus genetics registered with ASA. As their breed becomes more Angus-influenced, their EPDs would become more directly comparable to Angus EPDs.

Also at the June meeting, the Board reviewed a request by the American Chianina Association (ACA) to provide performance and registry work for ACA members. Staff members have fielded several "feelers" from other breed associations and individual breeders.

"Multibreed analysis is here. It makes sense to make it part of the Association portfolio."

— *Doyle Wilson*

It was apparent to the Board that this would be a recurring discussion topic and, as reported in the August "Board Action," the Board felt the subject raised the larger issue of providing services to other breed associations or exploring the potential of a service to generate ancestral records and genetic predictions on Angus-derivative cattle.

Hillman, 2001 president, was asked to appoint a genetic task force to include Board members, Angus producers not on the Board and Association staff. The task force was assigned the duty of evaluating the issue and reporting back to the Association at the September Board Meeting.

Assigned to the genetic task force were: Hillman, chairman; Board members Dave Smith, Brian McCulloh, Steve Brooks and Minnie Lou Bradley; Association members Galen Fink, Rob Thomas and Mark Gardiner; and staff John Crouch, Bill Bowman, Richard Spader and Doyle Wilson.

The task force met Aug. 24, 2001, in Saint Joseph, Mo. After extensive discussion, and recognizing that this might not at first be a popular decision, the task force unanimously approved a motion to recommend the Board of Directors adopt the concept of recording ancestral information and performing multibreed evaluation for Angus-influenced cattle.

"To do nothing would have been simple. To do what you did today took courage," Hillman said at the close of the task force meeting. "It reinforces that we are industry leaders."

After thorough discussion at the September Board Meeting (see "Board Action," October 2001, page 351), the Executive Committee and full Board unanimously approved a motion to direct staff to further study the concept of recording ancestral information and performing multibreed evaluation for Angus-influenced cattle. The consensus of the Board after hearing a progress report in November was that the concept should remain a priority.

In the meantime

As we discuss future genetic programs and services of the Association, it is important to recognize the competitive environment in which we operate.

At the July 2001 Beef Improvement Federation (BIF) meeting in San Antonio, Texas, Ronnie Green of Future Beef told attendees that breed associations should worry about EPDs for preweaning and maternal traits. They should not, he said, expend energy characterizing postweaning growth and carcass characteristics because Future Beef would be, through its system,

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developing a broader, more meaningful database of information than any single breed could provide.

The “conception-to-plate” system aims to use contract seedstock suppliers and commercial producers for a planned crossbreeding system to produce an end product processed through a company-owned plant and directed to their retail partner, Safeway. Information collected is to be shared among those in the system. Customer feedback at the retail level can be channeled to make changes at the seedstock level.

In his December editorial, Don Schiefelbein, executive director of the American Gelbvieh Association (AGA), compared the fiscal year (FY) 2001 statistics of the Gelbvieh breed to that reported by the American Angus Association. Where registrations of Angus were down 0.01%, transfers were down 6% and new members were down in number 5%, he boasted growth in Gelbvieh registrations of 10%, growth in transfers of 2% and growth in the number of new members of 14%.

Schiefelbein attributes his association's success to AGA's SmartCross program, a planned crossbreeding system. “With over 65% of the nation's cattle herd now Angus-based, Gelbvieh has become the ‘top-of-mind’ Continental breed of choice to use on these high-percentage Angus-based cows,” he says.

Later in his editorial, he adds, “In all likelihood, the past year marks a major trend reversal for Angus growth opening the door for heavy use of Gelbvieh genetics on all of those Angus-based cows.”

For perspective, the American Angus Association registered 271,206 head, transferred 159,029 head and reported 2,865 new regular members in FY 2001. AGA registered 32,323 head of cattle and recorded a total of 49,432 head of cattle, including what AGA calls

“computes.” Note that the computes accounted for 34.6% of the cattle AGA recorded.

The American Salers Association has a composite registry program offering

commercial cattlemen “a means to manage percent blood in their cow herds,” according to a breed advertisement.

In the December 2001 issue of *Limousin World*, the North American Limousin Foundation (NALF) presented a working plan for a LIM-Plus™ crossbreeding system and LIM-Plus hybrid seedstock.

Other breeds also promote crossbreeding systems that use their bulls on the Angus-based national cow herd. Breeders use as a selling point that their bulls can sire black-hided calves that will phenotypically qualify for the “A” stamp to be evaluated for possible acceptance for the *Certified Angus Beef*® (CAB®) brand.

In the November issue of *Drovers*, an ad for the American Hereford Association touted the quote “‘more hybrid vigor kick’ than any other breed used in a crossbreeding system.” The ad pictured Hereford bulls and black baldie cows.

There are at least eight to 10 breeds that are now black and polled. A scan through the barn in Louisville or Denver will show more black-hided Limousin, Salers, Gelbvieh, Simmental, Maine Anjou, Chianina and Braunvieh than ever.

In his November editorial in the *Charolais Journal*, Neil Orth, executive vice president of the American-International Charolais Association (AICA) says, “The signal is clear that the supply of information is the wave of the future of the beef industry.”

Later in the column he says, “Data will be the marketing power of the future. ... The challenge for Charolais breeders is to ensure that information exchange continues in order to enhance the breed's data base and increase market opportunities. ...”

You, as Angus breeders, face the same challenge. Your competitiveness in the year 2015 will require more than Angus EPDs and AHIR records. And, as pointed out in the genetic task force meeting, developing a multibreed genetic evaluation system

doesn't happen overnight. As with ultrasound and DNA technology, it will take years of research before you have substantial data. We have to keep the ball rolling.

“The whole thing has to focus on the commercial end. We have to look at this thing as a beef industry rather than a breed industry.”

— Galen Fink

“This move would assure all producers access to all the data.”

— Brian McCulloh

“Our job is information. ... Nobody can do it better than us, IF we do it.”

— Mark Gardiner

The issues

At the outset of the genetic task force meeting, former Association executive vice president Richard Spader (now deceased) discussed the No. 1 goal of the Association's Long-Range Plan — “to become the leading information and service center, using the most current communication technology, for the beef industry.” The discussion at hand fits nicely into that framework.

The Association has been an information center since it started recording pedigrees in 1883. In the 1960s, the role expanded to include performance data. Significant changes in the 1970s included national sire evaluation and opening registration to calves sired by artificial insemination (AI) and, in the 1980s, field data sire evaluation.

As needs changed, the Association provided the services that were needed at the time, Spader said, using Certified Angus Beef LLC (CAB), Angus Productions Inc. (API), and most recently Angus Beef Record Service (BRS) as examples. Those decisions weren't always popular at the time, but they were always made by Boards looking after the well-being of the membership years down the road.

Today, the face of the industry continues to change. Are we prepared to take the next step in order to become the leading information and service center for the beef industry?

We've been asked by producers using

Angus seedstock to perform ancestral and performance evaluations. These

producers want to continue to use Angus genetics, and they want to do business with the American Angus Association.

If not you, who?

It's not that they don't have other opportunities. Other associations, alliances and vertically integrated companies are taking steps to provide that information. With eight to 10 breed associations allowing composites to record, at least four are providing multibreed evaluations and are using Angus genetics and EPDs in the process.

Future Beef leaves no question as to its intent to control the database of the commercial cow herd. Other companies, Smithfield Foods for instance, are also entering the picture.

One of the questions asked at the task force meeting was what threat these companies pose to registered Angus breeders and to the Association. Obviously, they

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intend to accumulate a mass of data. As Doyle Wilson pointed out, if they have ancestral data, they can develop EPDs and determine heterosis effects. The question becomes, would that cause some Angus producers to migrate away from the Angus database and to rely on the corporate database? Also, would commercial producers turn to them, and therefore their seedstock cooperators, for genetic predictions?

Because of their aggressiveness, companies like Future Beef and Smithfield make headlines, but other pools of privatized data are being developed by alliances of all types for the purpose of giving their players a competitive edge.

If we force commercial customers to go to privatized entities to get information, we force their hand. Not only do we lose them as customers, but we

also lose access to their data. By our sharing information, we guarantee ourselves and our customers access to the information.

In the hog industry, the independent seedstock producer didn't lose competitiveness because of cost efficiencies or the quality of the seedstock supply. Rather, as a general rule they failed to unite to support an objective way to describe their genetic product to predict what it could do for the commercial customer and to get that into their customers' hands.

European hog breeding companies entered the U.S. market with a lot of hype, promising to provide uniformity and leanness in mass quantity. They fielded marketing programs that promoted a recipe for success built on privatized data — buy their terminal-cross boars to mate to their maternal-line females to produce market hogs in demand by packers.

In the end, when packers started sending letters to commercial hog producers to demand they show a genetic-improvement plan to make carcasses more acceptable, commercial breeders had to turn to seedstock suppliers who could give them that information. By that time, universities, media and bankers had found a comfort level in the predictability offered by the breeding companies. Banks supported loans to buy \$1,200 company boars, but refused loans to buy \$500 boars from established independent seedstock producers.

If we want to protect an industry that allows for independent decision-making, we

have to establish the Association database as the information source that banks are willing to back.

"Sleeping giants get buried. It's time for the Angus breed to recognize that our customer, the commercial cowman, wants information. For him to survive and prosper, he must know what is the most efficient cow he can produce," Minnie Lou Bradley said. "The American Angus Association can provide him with accurate data, whether it be for a purebred or a hybrid. We gain new loyal customers when we provide a helping hand."

Describing hybrids

Let's face it. You already compete with hybrids being sold as seedstock. Today, you compete against the hype. Tomorrow you'll compete against numbers.

"Multibreed analysis is here," Doyle Wilson told the task force. "It makes sense to make it part of the Association portfolio."

"As an Angus producer, if we can generate predictions on crossbred cattle, it will do nothing but enhance our

position," Brian McCulloh said. "I don't have the same level of confidence in the accuracy of predictions being generated via other systems."

I, too, relish the opportunity for purebred Angus cattle to be genetically evaluated on a level playing field. In helping commercial cattlemen establish genetic predictions on their brood cows, we give them the information they need to make informed decisions when buying seedstock. If they know what they have, they know what they need. That improves our ability to help get them to their desired end point.

As the national cow herd becomes more Angus-influenced, hybrid vigor is going to be used more and more as a selling tool by other breeds and breeders.

Some of the benefits of hybrid vigor are undeniable; but, there are also negatives. If growth were the only economically important trait, you could overlook increases in birth weight, increases in cow size and maintenance requirements, increases in shear force values (less tender), increases in fat cover, increases in variability, etc.

When you get down to it, are heavier carcass weights and yearling weights even desirable in most commercial herds — or do they contribute to carcass discounts due to

being overweight or underfinished or both? How much do the crosses that add hybrid vigor reduce marbling and increase fat cover, which is directly at odds with the direction the industry is trying to tell commercial producers they need to go?

"I don't buy into this hybrid vigor being all that it is touted to be," Steve Brooks said. "I've seen what happened when commercial producers stopped crossbreeding and started using our database and EPDs. Their yearling weights went up, their calves got more uniform, and they didn't get docked as heavily for having outliers when they marketed their cattle."

"We had people in this area that went the composite route 10 years ago and quit because it didn't work," he added. "When we get a direct comparison, our straightbred cattle will come out smelling like a rose. But we don't have that comparison now."

As a registered Angus producer, you have everything to gain by documenting the positives and the negatives in crossbreeding systems. And the potential for what we could learn with the volume of data we could collect would almost tempt this research junkie to go back to school.

"Some people assume other breeds will blow us (Angus) away. I don't see it. The comparison will be an asset," Mark Gardiner said at the task force meeting. "I think it will help us sell more bulls — using our data against the hype out there now."

In the end, I think we'll prove that commercial cattlemen don't have to go outside the breed to improve traits of economic importance. I believe we'll document undeniably that predictability of the purebred lines as seedstock will contribute to the bottom line more accurately and more quickly for producers who are trying to hit a more narrowly defined end target.

There is no breeding system more easily implemented nor more sure of reaching the desired outcome than that of mating bulls with high-accuracy EPDs to cows with high-accuracy EPDs. We have an opportunity to prove that. We also have an opportunity to build the database for our customers — a database that banks are willing to back.

"If you're not supplying the information to the commercial industry, you won't be a force for long."

— Mark Gardiner

"Industry has been demanding a way to standardize the data for commercial producers to use, and this will do that."

— Brian McCulloh



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