

# MERCHANDISING

by Keith Evans, Director of Communications and Public Relations

## Be a Bull Information Resource

Each time a potential bull buyer visits your herd he or she presents you with a challenge. You must convince the person that your Angus bulls are worth the premium they command over somewhat similar bulls of other breeds.

Several of the Association staff visited a large commercial rancher last fall. He has, basically, an Angus cow herd, but is using some bulls of another breed. His main reason for doing this, he told us, is because the "other" bulls are cheaper. He crossbreeds not to get the f-1 cows, which researchers say is the big advantage of crossbreeding, but to save \$500 or so on the cost of some of his bulls.

How would you handle this buyer if he came to your place? What would you or could you tell him about your Angus bulls and the cattle market in general that would convince him to pay more money for your performance tested Angus bulls than for red, white or multicolored bulls?

You might begin by explaining that Angus bulls sell for more money for a good reason. The prices paid for Angus bulls are not something that someone arbitrarily decided.

Angus usually bring more money because the market has demonstrated that they earn more for cattle producers who use them.

For example, if the potential customer has predominantly black cows you can point out the added value Angus-sired replacement heifers have today. Last fall bred commercial Angus heifers from reputation herds sold for up to \$1,150 per head. Compared to what steers the same age would bring, it takes few additional heifer sales at this level to pay the Angus bull premium. The remainder of the heifer premiums are profit.

Calving ease is another area where the right Angus bulls earn more money for the commercial producers who use them. Fewer and fewer cow-calf producers today breed first calf heifers to a bull with continental breeding, even if that bull happens to be black and polled. But for someone who might be willing to take this chance, you can quickly explain the value of an Angus bull with low birthweight EPDs.

The cost of developing a single replacement heifer, only to

have her lose her first calf to dystocia, would cover a big part of the Angus premium for one bull. This doesn't count the benefit of potentially saving the heifer's life, or the value of getting her bred back early enough to calve on time the following year.

More and more commercial cattle producers today retain ownership of their calves through the feedlot. Retained ownership lets them take advantage of the higher genetic value they have bred into their calves. Straight Angus or Angus cross calves almost always bring top price from packer buyers, compared with other breeds and crosses.

As feedlot owner-operator Paul Hitch, Guymon, Okla., says the national Angus ads, "On Monday morning the blacks sell first." And he should know. Hitch Enterprises feeds and markets some 300,000 head of cattle each year. It is a story that sellers of other breeds can't tell.

Should the potential buyer retain ownership of his cattle and then sell grade and yield, he can increase his profit potential further with straightbred Angus cattle that have been sired by a bull with positive EPDs for carcass traits.

And if the packing plant where they are processed is licensed by the Certified Angus Beef Program, then there may be potential for an additional premium.

Of course, Angus are black and polled always. You don't waste time putting selection pressure on these traits as do producers of black-polled cattle in other breeds. You can concentrate your time selecting for other traits that contribute to the buyer's profits.

Two things are certain. 1. Top quality Angus bulls with excellent performance records often bring premium prices; 2. Not every buyer is fully convinced of their extra value.

This is where you, an Angus dealer and salesperson play such an important role. Provide potential bull customers with facts about the productivity and profit making potential of your Angus bulls. It will result in more sales for you and more satisfied customers.



*Keith Evans*