

# Buyers trade dollars for carcass EPDs

by Steve Suther, director of industry information



ANGIE STUMP DENTON PHOTO

"The commercial man is demanding more and more records," Rich Peterson notes. "These packers are educating them as they discover individual carcass merit."

Pursuing carcass expected progeny differences (EPDs) pays, according to results of six yearling Angus bull sales last year. Buyers at the auctions in Kansas, Nebraska and California paid an average of \$377/head more for 341 bulls with individual EPDs for carcass weight, marbling, ribeye area, fat thickness and percent retail product compared to 274 bulls with less-detailed EPDs (see table). In one herd, the value difference was more than \$1,000/head.

Admittedly, there is more at work here than arithmetic. The math did get breeders' attention last year, however, adding one more reason to work toward listing carcass EPDs on all bulls for sale. Of course, that calls for younger cows for which interim carcass EPDs are available — and it doesn't automatically make their sons better bulls.

Some of the bulls out of older cows that don't have carcass EPDs could turn out better. Still, says Jan Lyons, Manhattan, Kan., "They are unproven and unknown. It seems that today, people want to have as much predictability in the cattle as they can get, and it's not enough to just have really good carcass numbers. I've seen bulls passed up that didn't have quite good enough numbers for birth weight, for weaning weight, for maternal. Those other numbers have to be there."

That shows buyers are smart, Lyons says. "We don't see them out chasing carcass traits to the point that they are going to extremes." Still, the presence of *all* the EPD numbers seems to make a difference.

Last year 40% of the Lyons Ranch bull auction offerings featured carcass EPDs and sold for \$760/head more, on average, than the rest. This year Lyons sold a lot more bulls with carcass EPDs — 50% of the 135 head in the March 1 sale.

Any bull offered for sale has to meet stringent standards, and Lyons is as surprised as anyone when one bull brings \$2,000 and an apparently similar one follows at \$4,000. "I'm always amazed, but I know buyers like to combine a lot of things. Usually, the bull that matches on all the numbers and has a lot of eye appeal is the one that brings the most."

## ■ Demand for beef

To the north and west, at Haigler, Neb., Rich Peterson's Windmill Angus Ranch 1998 bull sale saw a similar spread (\$627) between the 20% with carcass EPDs and the

rest. Like Lyons, he offered more bulls for sale this year, with carcass EPDs on virtually all of them. He called the Feb. 1 affair “The Carcass Discovery Sale,” and he featured an average marbling EPD of 0.41 on 100 bulls.

“People in this country are getting to where they won’t even buy cattle unless they have some information,” Peterson says. “That’s why we worked to put everything together, cattle and information.”

Peterson says demand for quality carcass genetics stems from beef consumers. “There’s a window of opportunity for beef right now,” he says. Quality is a rare thing in produce and meat, and “people know if they’re going to buy good beef, it better be at least half Angus. Otherwise, you may take it home in a doggie bag, but your dog won’t eat it.

## Producers have noticed that demand has translated into higher premiums for cattle accepted into the Certified Angus Beef (CAB) Program over the last year.

— *Rich Peterson*

“Ranchers understand we have to do something different. We have to have a better-quality product to deal with consumer needs,” he continues. “It takes a better cook than we have today to make the lower-grade cuts work. If we improve the quality of the meat, it improves the opportunity to sell more meat.”

Producers have noticed that demand has translated into higher premiums for cattle accepted into the Certified Angus Beef (CAB) Program over the last year, Peterson says. To raise cattle that can make that grade, “Buyers know they have to start with the right kind of bull — a different type, genetically trimmed, but still with all the marbling.”

### ■ Buyers want numbers

“The commercial man is demanding more and more records,” Peterson notes. “These packers are educating them as they discover individual carcass merit.”

Both ranch sales depend on commercial cow-calf producers for at least 85% of their

bull volume, and most of them are beginning to retain ownership on calves through the feedlot or otherwise seek individual performance data.

Lyons, who has looked for balanced carcass traits as an add-on to other selection criteria since 1990, now helps customers get data while helping prove Lyons Angus genetics. Besides embryo-transfer partnerships, she also operates a buyback program for feeding steer progeny of Lyons bulls. Sometimes she partners with customers on retained ownership and sometimes with feedyards as well.

“We have helped customers with small groups, combining pens for those with 25 or 30 to feed so they can get individual data and split feeding costs,” she says. “It has helped those who want to get their feet wet in retained ownership and feeding.” Lyons also sponsors a feeder-calf sale for customers and invites alliances that collect carcass data.

### ■ Buyers want Angus

Angus application to commercial beef production has grown through the years and will continue to grow due to their advantage in lower-cost production of a higher-quality product, says Ron Bolze, CAB Program director of progeny tests for carcass merit.

“The higher-quality product obviously comes from Angus cattle’s inherent ability to marble more readily than many other breeds of beef cattle,” Bolze says. Producers need to manage such cattle properly by feeding to an optimum end point, he adds.

“Angus cattle are one of the few genotypes that can sufficiently marble to achieve acceptable CAB Program acceptance rates at minimal fat cover — 0.4-inch external fat cover if we use the right bulls,”

Bolze says. Individual bloodlines from other genotypes may be able to achieve similar results on the rail; but without a carcass database built on years of traditional carcass-data collection, he points out, it’s hard to identify which bulls to use.

Of course, carcass traits aren’t everything. “Lower-cost production comes from the Angus inherent advantage in functional traits contributing to ease of management, including, but not limited to, fleshing ability on minimal supplementation, lower incidence of pinkeye, sounder feet and legs, udder quality and maternal behavior,” says Bolze, basing his statement on the assumption of using the right sires.

When those things are working, commercial producers can look for more, just like Lyons and Peterson. “Selection for carcass merit should include more than just marbling EPDs,” Bolze reminds. “In fact, with current grid pricing structures showing Yield Grade (YG) 4 discounts four or five times greater than premiums for *Certified Angus Beef* product or Prime, selection for increased ribeye area (REA) EPD, reduced fat thickness EPD and increased percent retail product EPD appears to have greater merit.

“As a general rule, all producers would be well-advised to include the selection for carcass merit into a multiple-trait selection scheme that places primary focus on functional efficiency and matching the cow to the environment in a low-cost production scenario,” Bolze concludes. “This means, of course, avoiding the use of some of the truly ‘elite’ carcass sires of the breed that cannot produce functionally efficient daughters in low-cost environments.”



**TABLE: Analysis of 1998 yearling bull sales at auction by six Angus producers.**

	With carcass EPDs			Without carcass EPDs			
	Total \$	No. bulls	Avg. \$	Total \$	No. bulls	Avg. \$	Diff. \$
California	241,450	70	3,449	86,950	28	3,105	345
Kansas 1	85,800	28	3,064	117,500	51	2,304	760
Kansas 2	208,100	94	2,214	25,400	17	1,493	720
Nebraska 1	201,050	74	2,717	54,400	32	1,700	1,017
Nebraska 2	60,300	19	3,174	170,600	67	2,546	627
Nebraska 3	198,100	56	3,537	241,190	79	3,053	484
<b>Summary</b>	<b>994,800</b>	<b>341</b>	<b>2,917</b>	<b>696,040</b>	<b>274</b>	<b>2,540</b>	<b>377</b>