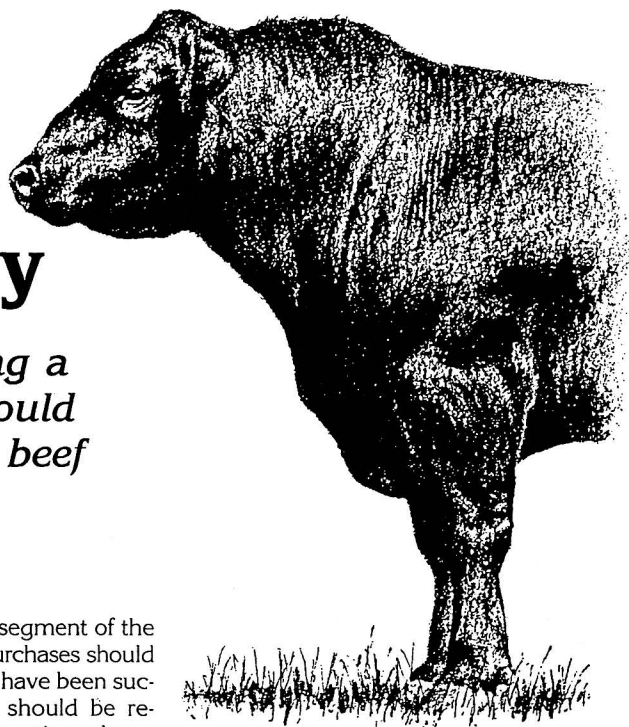


# Consider Your Investment Carefully



*Principles we apply when purchasing a house, farm land, tractor or combine should also apply when we invest in registered beef cattle. Too often this is not the case.*

by John Crouch, Director of Performance Programs

The same careful investor who shops around for the best buy in a tractor or truck, carefully matching machine capabilities to job performance, too often buys cattle on a whim or on the advice of a recent acquaintance. A person thoughtfully matching machinery costs with returns in increased efficiency and profit, will often purchase registered cattle without first assessing his potential market.

A \$100,000 articulated, four-wheel drive tractor can be profitable on a western Kansas wheat farm, but not on a 500-acre diversified Midwest farm. Likewise, a herd of genetically superior beef cows that cost \$10,000 each may never be profitable in an area where the going price for a bull is \$1,000.

A few basic steps and use of the best information available are recommended for the new investor in the registered beef cattle business.

- Prior to that first cattle purchase, make a detailed study of your land and management resources in order to determine the carrying capacity in number of cattle. Conditions will vary in different geographic regions.

- The next logical step is to estimate local market conditions. For example, it would be unwise to breed Irish wolfhounds if 15 neighbors were also engaged in the same enterprise. Basically, you should plan to sell your cattle within a 50-mile radius of your farm or ranch. Carefully assess the market in this area. Utilize the help of experienced cattle people and livestock extension specialists.

- A thorough investigation should be made of available seed stock. Remember that the closer to home they are, the more adaptable they will be to your environment. Moving cows from Minnesota to southern Mississippi can be disastrous.

- The buyer must also determine what he wants his cattle to do.

Many new breeders become excited about the thrills of show ring competition

and wish to be a part of this segment of the business. If this is the case, purchases should be made from breeders who have been successful in this endeavor. It should be remembered, however, that mating championship bloodlines does not guarantee a resulting champion.

This segment of the business creates excitement, glamour and romance. However, it can be very expensive and rather volatile.

Other new breeders may determine that their best market is the production of bulls that will have a positive influence on the profitability of the commercial industry. In this event, seed stock should be purchased from successful, reputable breeders with similar goals. The size and quality of the cattle and their performance traits should be matched with the demand in your market area.

Whatever job a breeder wishes his cattle to perform, the following questions should be addressed:

1. Is the seller a reputable breeder who will stand behind his product? Do you feel comfortable doing business with him?

2. Has the seller kept performance records on his herd, and are they available for inspection?

3. Has the seller utilized performance records to select replacements which insure a genetically solid herd foundation?

4. Will the seller provide you with terms and conditions of the sale and explain his guarantees? Will he put them in writing?

If answers to these questions are yes, the buyer can rest assured he is on sound footing. If some answers are no, look elsewhere. There is an abundance of good registered breeders in this country.

- Once you are satisfied with the genetics and management of the herd, there are several other factors which should be considered prior to your initial purchase.

First make sure the cattle are healthy. No breeder in his right mind would sell sick cattle knowingly, but a careful check never hurts. Attention should be given to swell-

ings, heavy breathing, gaunt appearance or other such warning signs.

Study the feet and legs of cattle closely to make sure they can travel with ease. Uneven or twisted toes and corns should be avoided. Never be afraid to make cattle walk since that will reveal most problems.

Testicles are a vital consideration in any herd sire. Remember that large testicles are associated with greater semen volume. Avoid bulls with small or twisted testicles; chances are the bull and his calves will be low in fertility. It is never wrong to ask a seller for a certificate (from a competent veterinarian) of a bull's semen quality or breeding soundness. Have your veterinarian perform an examination of any bull not previously tested for breeding soundness.

- Most new breeders are excited about their entry into the cattle business. There is no greater exaltation than being close to the soil and cattle. However, people who grew up far from a muddy barnyard may lack expertise needed to provide proper daily care for a herd of cattle. Much can be learned, but initially it may be advisable to enlist the assistance of an experienced cattleman for advice and even manual labor. For a small operation, a part-time adviser should be considered.

The cattle business is a rewarding way of life for many people. Those who entered the industry on a sound basis have profited from their investment. The most important factor to remember about purchasing cattle is that a breeder is simply buying time—the time the seller spent in building the genetic foundation.

Investment in superior germ plasm will provide long-term financial rewards and will enable the new breeder to achieve his goals in a much more rapid fashion.

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