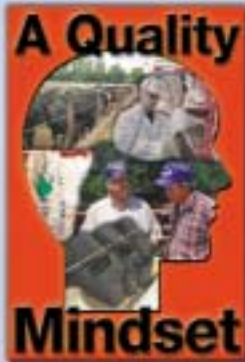
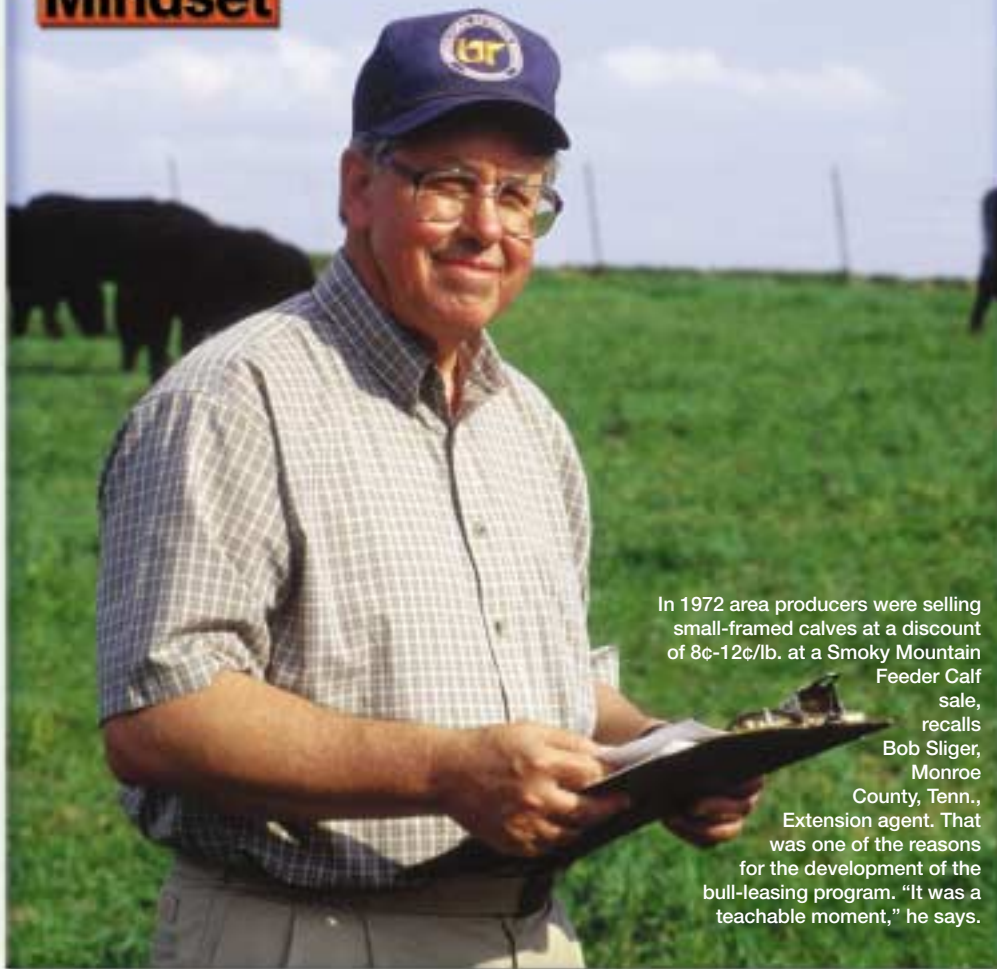


Banking on ANGUS



A bank-supported bull-leasing program has used Angus genetics to upgrade area cattle.

STORY & PHOTOS BY BECKY MILLS



In 1972 area producers were selling small-framed calves at a discount of 8¢-12¢/lb. at a Smoky Mountain Feeder Calf sale, recalls Bob Sliger, Monroe County, Tenn., Extension agent. That was one of the reasons for the development of the bull-leasing program. "It was a teachable moment," he says.

says. "It has really improved the quality of our black cattle — their frame and muscling. Before it started, our black cattle didn't have a very good reputation."

"It has improved the genetics in our herd," says Loudon, Tenn., producer Earl Alexander. "We get better prices at the Smoky Mountain Feeder Calf sales, and if I've got 10 or 12 to send to a weekly sale, they are really hot items." Alexander and his son, Bill, have leased Angus bulls for their commercial herds for 10 years.

Program start

The bull-leasing story started at a 1972 Smoky Mountain Feeder Calf sale, but not because of good prices. Area producers sold 2,500 head in a special fall Angus steer sale, and 35% of the calves graded small-framed.

"They were selling at a significant discount — 8¢ to 10¢ to 12¢ a pound (lb.)," recalls Bob Sliger, Monroe County Extension agent. "On a 500-pound calf, that was \$50 a head or more. It was a teachable moment."

After the sale, Sliger and Joe Houston had a meeting of the minds. The plan of action consisted of Sliger spending two days with Robert Curry, then CEO and president of the First National Bank in Pulaski, Tenn., which already had a successful bull-leasing program.

After getting the details of the program, Sliger, Houston and Charlie Yount, an auctioneer who specialized in purebred-cattle sales, wrote a proposal. Houston, who was on the board of directors of the Sweetwater Valley Bank, presented it to the board and George Butler, then bank president.

After a yes vote in the fall of 1973, Sliger purchased three Angus and two Polled Hereford bulls for the bank to lease to area producers. Since then, Sweetwater Valley Bank has changed ownership and has been involved in bank mergers. Now it is part of

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In the early 1970s, Tennessee banks made headlines when they bought bulls and leased them to their customers. But once the novelty wore off, the headlines disappeared. However, in Sweetwater, Tenn., the concept still is going strong.

"The bull-leasing program has had a major impact on the cattle in this area," says Mark Houston of the East Tennessee Livestock Center.

Houston's father, Joe, founded the auction barn in 1962 and was one of the ramrods of the local bull-leasing program. Now Mark sells the majority of the calves from the producers who lease bulls. They go through both his regular weekly sales and the graded Smoky Mountain Feeder Calf sales.

"The bulls they've brought in have improved everything you can improve with genetics," Houston

AmSouth Bank, headquartered in Birmingham, Ala. Thankfully, its officers and board remain supportive of the program.

“We think it is a plus in our community,” says Steve Hurst, president of the Sweetwater branch. “In our market, it has helped the producers’ incomes. Because they use better bulls, they have better calves to sell.”

Currently, 35-38 leased bulls, usually Angus, go in with the

cows each year in the Sweetwater area. And rather than being discounted, calves from the Smoky Mountain Feeder Calf sales are bought for quality-driven programs like Nebraska Corn Fed Beef®.

Stiff criteria

To get the bulls that meet his criteria, Sliger isn’t afraid to travel. Bulls come from other parts of Tennessee, Georgia,

Alabama and Virginia.

But one of the best sources is in Monroe County. Dick Griffith, who Sliger says was one of the best commercial producers in the area, switched to purebred Angus in 1985. Now he supplies the program with five or six bulls a year.

“Dick has been such an important source for us,” Sliger says. “If they meet Dick’s expectations, they will work for us. . . . He is tough on bulls. His first selection round is tough enough, but the second . . . whew.”

Griffith’s bulls are custom-made for area producers. He and Sliger sit down and plan artificial insemination (AI) matings with the local herds in mind. When Sliger is purchasing bulls outside the county, he usually has a specific customer in mind.

Griffith says Sliger is the reason the program is still paying dividends to area producers. “To make a bull-leasing program work, you have to have someone who has the ability to buy the right bulls. It takes hard work and dedication to buy and [to] place them.”

Earl Alexander says that Sliger knows what producers need. “He knows my program and knows my cows.”

“All we have to do is make a phone call to Bob,” adds Bill Alexander. “He knows genetics and is very up-to-date.”

“When the Alexanders call and need a bull, I know what kind of bull they need,” Sliger agrees. “We can stack the genetics for economically important traits.”

Sliger, however, says it is the producers and people like Griffith and Mark Houston who make the program work. Both the purebred producer and the sale barn owner go the extra mile in sorting bulls.

“It is miraculous how this program works,” Sliger emphasizes. “Folks have been so cooperative and have taken such

good care of the bulls.”

The leases last 12 months or from the start of a producer’s breeding season until Dec. 31. However, if one producer has an early breeding season, say in February and March, and another producer has an April-May breeding season, they’ll move bulls between herds. Often, though, a producer will lease a bull for three consecutive years.

The economics and the flexibility are an incentive to the producers to keep the bulls — and the program — healthy. An annual lease is 20% of the bull’s purchase price or appraised value, plus \$35 for handling and paperwork. The producer is responsible for keeping the bull fed, vaccinated and dewormed and for any veterinary bills.

The producers say leasing reduces their risk compared to buying. “We can make errors in judgment,” Earl Alexander says. “But if we pay \$2,000 or \$2,500 for a bull, we keep him.”

“The liability isn’t there,” Bill Alexander agrees. “You can always trade them in. Even if you get a good bull one year and a better one comes along, you can trade him in.”

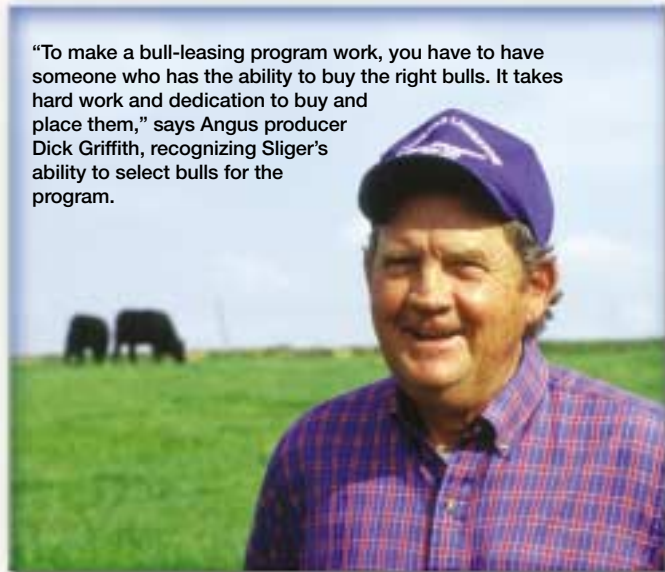
“It frees up a producer’s capital,” Sliger adds.

There is also Sliger’s knowledge, which comes with the bulls. “Where else could a farmer like me get that kind of information?” Earl Alexander asks.

“I don’t see any minuses to the program,” Bill Alexander adds.

As for Sliger, even after almost 30 years of handling the bull-leasing program, he still can talk for hours about pedigrees, expected progeny differences (EPDs), and successful pairings of bulls and producers’ herds.

“The graders at the feeder-calf sale can almost tell which producer’s herd the calves come from,” he says. “It has been fun from my standpoint.”



“To make a bull-leasing program work, you have to have someone who has the ability to buy the right bulls. It takes hard work and dedication to buy and place them,” says Angus producer Dick Griffith, recognizing Sliger’s ability to select bulls for the program.



Producer Earl Alexander (right), Loudon, Tenn., and his son, Bill, have leased Angus bulls for their commercial herds for 10 years.

Angus: The breed of choice

Almost the entire bull battery for AmSouth Bank's bull-leasing program is Angus. That is no accident.

"Angus fit this region so well. We have a lot of hill country and a lot of small producers," says Bob Sliger, Monroe County, Tenn., Extension agent.

"The demand is for Angus bulls. The producers direct that end of the program," he adds.

They also fit Sliger's selection criteria. He handles bull purchases for the Sweetwater, Tenn., bank.

Because many of his customers work in town or are older, Sliger considers calving ease when selecting a bull. "The first thing we do is select a low-birth-weight bull," he says. "We try to stay under a plus 2 EPD (expected progeny difference)."

"Calving ease has been the greatest advantage to our program," agrees producer Earl Alexander of Loudon, Tenn. "That comes closest to the top."

Next on Sliger's list is maternal strength. "We want 15 pounds (lb.) plus on milk, and we're moving that up as the breed average moves up."

"Before the last two or three years, we selected for all the weaning and yearling weight we could. Now, our selection criteria have evolved," he adds. "We are putting carcass traits maybe even ahead of weaning and yearling weights. But we're not trying to go overboard."

Sliger says the selection for frame size has come full circle. While one of the main purposes of bull leasing was to add frame to the area's cattle, that took a backseat as the cattle got larger. Then frame size started to decrease again.

"I think we are seeing a little swing back," he comments. "With our environment and forages, the cattle need a little bigger frame to express themselves. The minimum frame for us is 6. We may be

getting a few of our cattle too big, but we can't back off and [still] get them graded."

"Within the Angus breed, you can find about whatever you need," Sliger says.



"While one of the initial purposes of the program was to add frame, that took a backseat as the cattle got larger. Then frame size started to decrease again, and they are once again trying to add frame. "With our environment and forages, the cattle need a little bigger frame to express themselves," Sliger says. "The minimum frame for us is 6."

Risk management

There is no denying the leased bulls in Sweetwater, Tenn., have contributed great genes to area cow herds, but there is a risk they could contribute something else, too.

Disease.

"The potential for problems is there," says Allen Heath, Auburn University veterinarian. "Certainly there are more health concerns when swapping bulls."

Besides the reproductive diseases, bulls also can carry such diseases as bovine viral diarrhea (BVD) and Johne's Disease (JD).

Heath says the vaccination program used by the Sweetwater producers is a sound one. Most of the producers routinely vaccinate the bulls against the respiratory diseases — infectious bovine rhinotracheitis (IBR), parainfluenza-3 virus (PI₃), BVD and bovine respiratory syncytial virus (BRSV). In addition, they get a pinkeye vaccination and a combination vaccination against the reproductive diseases — vibriosis (vibrio) and five strains of

leptospirosis (lepto). The very young bulls also are vaccinated against blackleg.

When bulls are swapped between herds, they go to a veterinarian for a full breeding soundness exam. Heath also recommends they be tested for brucellosis (Bang's disease), trichomoniasis (trich) and vibrio.

Bob Sliger, Monroe County, Tenn., Extension agent, also encourages producers to keep a close watch on their herd during breeding season. If the cows aren't getting settled, the bull could be infertile. If the cows appear to be having long heat cycles (40-50 days), they could be experiencing early embryonic death, a symptom of both trich and lepto.

Heath also emphasizes, "When they are being swapped between operations, these bulls should be isolated from the rest of the herd for at least two weeks prior to turnout. That is standard protocol for any new animal brought on a farm."