

# Will corporations control the cattle business?

It has been said that nothing lasts except eternal change. So it is with the beef industry. The acceptance of performance selection, value-based marketing, vertical integration and up-to-date technology has resulted in the formation of large companies involved in both seedstock and commercial production. Typically, as these groups succeed and grow, they begin to dream of owning their own gene pool and holding it close as the only source of "superior" genetics.

Historically, both the swine and poultry industries have had such seedstock producers. Each has identified strains or lines superior in certain traits, which are then crossed; and the crosses are sold to commercial breeders.

### It's been tried

For example, a swine breeder crosses two lines superior in maternal traits and sells the  $F_1$  females to commercial producers to be used as brood sows. Concurrently, two lines superior in growth and carcass are crossed, and the  $F_1$  males are sold to be used on those  $F_1$  sows. That provides good performance and maximum heterosis to the commercial producer and allows the breeder to retain his private, purebred lines intact. It is a workable plan.

It has some major shortcomings, however. Foremost, even the largest companies cannot maintain sufficient numbers in the seedstock herd to permit a rate of improvement sufficient to keep up with a competitor selecting from an entire breed. Secondly, market specifications can change, and the smaller gene pool reduces flexibility. Finally, the inherent problems of size, human nature and bad luck can result in failure.

The poultry industry provides another example. In the 1960s, a large Georgia breeder (Vantress) furnished approximately 75% of the genetic material for the entire broiler industry. Now, 40 years later, that breeding program no longer has the monopoly on genetics, according to my sources at the University of Georgia. Dozens of large breeding programs have come and

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gone, and both the people and the genetics leading the industry are different.

#### My own example

A case in point is my personal experience. In the late 1960s, the original Ankony Angus Corp. was atop the Angus business in show winnings and sales. The astute owners realized their cattle were not as productive as they should be and became aware of the effect "new" performance selection programs would have on the beef seedstock industry.

Consequently, I became an employee of Ankony Angus to develop a complete performance- and progeny-testing program. The Ankony program required performance records on every animal in the herd for calving ease, birth weight, weaning weight and yearling weight and visual scores for trimness, muscling, frame size, stuctural soundness, breed character, and masculinity or femininity. Breeding values were computed for the same characteristics.

Major sires and prospective sires were progeny-tested for carcass characteristics both quality and cutability. Unfortunately, the Angus Herd Improvement Records (AHIR) program was ignored, and it was decided to handle all the performance data in-house. I confess it was my recommendation. The goal was to acquire performance information on various strains and individuals not available to other breeders and thereby have a competitive advantage. The plan worked.

#### The story continues

At this same time, Ankony expanded in both herd size and land holdings. The operation involved deeded ranches in South Dakota, Iowa and Colorado, along with leased land in Texas, Montana and Idaho. Additional breeding stock were purchased until the registered Angus herd was approximately 5,000 head, with even greater numbers of exotics, other breeds and crosses. Included in these additions were the entire Murray Corbin Emulous herd, Canadian Colossal, and a select unit of Canadian sires and females, along with some blood from the Erdmann herd.

All these Angus were compared, including the original Ankony cattle. The Emulous cattle whipped them all. Therefore, only sires from the Emulous line were used extensively in the breeding program, and bulls from the other lines were unloaded as soon as possible.

For example, Canadian Colossal was sold to Dave Canning, and shortly thereafter Dave called me and said, "We are starting the Canadian Colossal Cattle Co. here in Nebraska, and I want to buy Colossal's mother, his sister, his two top sons I saw in the show barn and every single yearling son you own — no exceptions." Wow! Since there were almost 300 Colossal sons around, it was a welcome call.

Tops among the young sires from the Emulous line was Ankonian Dynamo. He was out of Miss Emulous B by Emulous Pride 70 ("Big 70"). Dynamo was a great performer, a great show bull, a great sire and a profuse semen producer. He was used heavily in the Ankony breeding program, with no semen sales to other breeders. Literally hundreds of his daughters were retained in the herd.

#### The moral

Remember, none of this performance data became a part of the AHIR program. It is embarrassing to admit that this 10-year exercise was wrong. In retrospect, it was a disservice to the Angus breed and to Angus breeders.

It also was a disservice to Dynamo and his descendants as their current expected progeny differences (EPDs) would be entirely different had their records become a part of the Association database. Further, had we offered Dynamo semen for sale shortly after his showring appearance, thousands of additional progeny would have been added to the breed.

Now hear this, all you mushrooming cattle companies out to control the industry: You are not going to be good enough or big enough to get the job done. Historically, such organizations have failed. Either the plan was wrong, a key person died, resigned or was fired, or somebody stole the money. Don't go it alone; be a part of the industry.

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