

# LEAD IN

*Richard L. Spader*

Executive Vice President, American Angus Association



The 1986 bull buying season in many parts of the country is now behind us and, if early reports are any indication, it was one of the good sale seasons in recent years.

Most of the optimism comes from indications that point to better times ahead for breeders of registered Angus cattle. I'm reluctant to be overly bullish, but the groundwork seems to be laid for a significant recovery in the Angus and beef cattle business.

First, the liquidation of cow numbers should soon bring production and demand to levels that are once again profitable for most people in the industry. The dairy PIC program is behind us for all practical purposes, and the negative psychology of large dairy slaughter has given way to increased purchase of beef for school lunch programs. Prices for all classes of cattle are up over a year ago, and the demand looks good for yearlings and feeder calves this fall. In addition, early reports are positive for contracted calves and yearlings this fall, and many cattle are returning to farmer feeders as well as large commercial lots.

On the consumer demand side, the economy continues to improve for many consumers. As this situation improves, families will purchase more quality beef products for home consumption and eat out more often with beef the main entree. Passage of the Beef Information and Research Act will also give the industry much needed funds to promote and educate consumers about the value of beef in their present active lifestyles.

From an industry standpoint, we have also seen commercial producers in the past 20 years seek out every new breed of bull to compliment their crossbred herds. While this works to a point on improved heterosis, more and more producers are faced with mongrelized herds that need direction

for the future.

Basically, cattlemen all over the country are returning to Angus bulls to solve some of their problems. This is what we've seen in the sales so far this year—an excellent demand for Angus bulls.

On top of the many breed attributes, packers still continue to demand Angus and Angus-cross cattle for carcass value. What's more, the CAB program is creating demand for Angus cattle that is filtering down to the bull buyer. CAB is growing and will continue to grow for the foreseeable future with some months of this year peaking the three million pound mark.

The present trend to branded products also puts CAB in the early lead of programs appealing to consumer needs for lean, consistent quality in the beef products they purchase.

We also can't overlook the continuing national advertising and public relations programs that are funded by members of the American Angus Assn. These ads have continued to emphasize where Angus fit in relationship to profitable commercial cattle production outlining typical Angus advantages over competitive breeds.

In the future, Angus breeders who do the best job of merchandising their cattle and breeding programs will profit through increased bull sales.

This is the time of year when many of you take a long, hard look at bull calves to be kept for your offering next spring. If all indications are right, next spring could be one of the best Angus bull sale times in recent years.

It's your decision but regardless of your perspective, things look better for the Angus business than they have for some time. Let's take advantage of it and have plenty of top-quality registered Angus bulls on hand when the buyers show up next spring or fall.

**AJ**