

Association Presents Tools

AngusSource and \$Value Indexes take center stage at informational forum in Louisville, Ky.

by *Shauna Rose Hermel*

Two new tools developed by the American Angus Association were presented to members at an informational forum Sunday, Nov. 16, during the North American International Livestock Exposition (NAILE) in Louisville, Ky. More than 400 producers were on hand as staff explained the AngusSource program launched in August and the Dollar Value (\$Value) Indexes that were made available with the *Spring 2004 Sire Evaluation Report*.

AngusSource

“What business are we truly in?” Matt Perrier, director of commercial programs, asked the audience of mostly seedstock producers. Perrier told attendees that they were in the tool business, providing tools to their commercial customers to help them turn a profit.

Commercial cattlemen pay a premium to Angus producers, Perrier said, for sound, proven genetics; documented pedigrees; expected progeny differences (EPDs); performance information; and consistency and durability in the bulls they buy.

Cattlemen who have purchased good Angus genetics are asking, “Where’s my premium?” Perrier said, adding that they look to their seedstock suppliers for marketing assistance.

“Folks, the cattle aren’t commanding the premiums. The premiums are being paid on the information about those cattle,” Perrier said. “If you can document that, if you can tie that to those cattle in some way, shape or form, you’re going to get the premium.”

Perrier pointed out that there are a lot of polled, black calves on the market, but not all of them carry the Angus value. A tool to document that value, AngusSource is a tagging and marketing program designed to enable commercial customers to document

the source, genetics and processing information about the calves they are selling, he explained.

An integral component of the AngusSource program is the recognizable white AngusSource tag with black imprinting (see Fig. 1). The tags, which can be used for feeder cattle or replacement females, carry the AngusSource logo, the

state of the calf’s origin, the producer’s identification (ID) code, an individual animal ID provided by the producer and a unique ID number assigned from the Association’s database of American ID numbers.

One of the program’s greatest assets is its simplicity. To enroll in AngusSource, a commercial cattleman or a seedstock supplier can start by calling the Commercial

Programs Department at (816) 383-5100 or by signing up online at www.angussource.com.

“The next step — tell us how many calves you’ve got that need tagged, when they were born, where they were born, calving date range, sire registration numbers,” Perrier explained. The dollar-per-calf enrollment covers the Allflex tag, the customization charges and the shipping fee. “Seven to 10 business days later, you have a set of customized AngusSource tags that have all the information you just gave us.”

The tags can be placed in Angus-sired calves or calves out of purebred commercial Angus cows for which the producer can supply sire registration numbers, Perrier explained. Calves must be tagged before they leave the farm or ranch of origin.

Once management and marketing information are entered, the producer can obtain a marketing document for a specific group of calves by downloading it from the Web site or requesting a copy from the Commercial Programs Department. The marketing document summarizes the information provided — contact information, when and where the cattle will be sold, sire EPDs, vaccination and herd health information, past years’ carcass data, etc. This information is automatically listed on the Internet. Every Tuesday, new listings are sent to feedyards and order buyers who have signed up to learn where the cattle are and when they will be selling.

Perrier encouraged seedstock suppliers to use this program as a customer service. Association members can purchase the tags and enroll their customers’ cattle in AngusSource.

The program is already getting results. Perrier explained how order buyers cornered him at a sale this fall to inquire about the program, saying they had to pay 3¢-6¢ per pound (lb.) more for five-weight calves with the AngusSource tags. “That tells me we are doing something for those customers of ours and providing a service that can really be used,” he said.

Introducing \$B, \$F and \$G

Commercial cattlemen have been telling their Angus seedstock sources that they are overwhelmed by the amount of data they have to contend with to make bull selections,

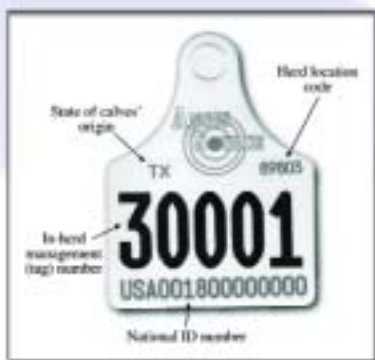


Fig. 1: Example of AngusSource tag

Table 1: Assumptions* used in formulating \$F, \$G and \$B values

*These assumptions are based on three-year rolling averages.

Feedlot assumptions for \$F:

Time on feed, days	160
Ration cost, \$ per dry ton	150
Fed market, \$ per cwt. live	75

Grid assumptions for \$G:

Quality components

Prime, \$ above Choice	6.00
CAB®, \$ above Choice	3.00
Choice-Select spread, \$	10.00
Standard discount, \$	-15.00

Yield components

YG 1 premium, \$	3.00
YG 2 premium, \$	1.50
YG 3 discount, \$	0.00
YG 4 and 5 discount, \$	-25.00
Avg. carcass wt., lb.	816
Heavyweight discount, \$	-20.00



said Bill Bowman, director of performance programs. "We took that as a challenge to us to develop programs that could make this a little simpler, a little easier."

In September, the Board of Directors approved the release of three indexes to help simplify multitrait comparisons. The *Spring 2004 Sire Evaluation Report*, now available online, includes the first in a series of Dollar Value (\$Value) Indexes designed to evaluate those trade-offs for producers based on real-world economics. Feedlot Value (\$F), Grid Value (\$G) and Beef Value (\$B) are the first indexes in a series of bioeconomic values created to assist commercial beef producers in genetic selection.

An index is simply a combination and a weighting of multiple traits combined into one value that can be used to rank animals, Bowman explained. While they may be very complex to develop, indexes actually offer simplicity in their use and can ease making directional change in multiple traits at one time.

Sally Dolezal, director of genetic research for the Association, explained that the \$Value Indexes are based on three major components: 1) EPDs, 2) industry-based economic values and 3) a system of equations to tie the genetic and economic values together.

\$F is the expected difference, in dollars per head, in progeny performance through the feedlot stage. In other words, if Bull A has a \$F of \$22.85 and Bull B has a \$F of \$10.35, and these two bulls were randomly mated to comparable cows, Bull A would be expected to sire calves that, on average, would generate \$12.50 per head more value in the feedlot.

Key components of \$F are weaning weight and yearling weight EPDs, and the relationship between those two traits, Dolezal explained. The system of equations used to calculate the index includes a projected average daily gain (ADG), a projected consumption, a value of gain and a cost to achieve that gain.

Economic assumptions used for creating \$F include 160 days on feed, a ration cost of \$150 per ton and a fed-market value of \$75 per hundredweight (cwt.), Dolezal explained.

\$G is the expected difference in carcass grid value, expressed in dollars per head, in progeny performance for animals sold on a typical grid. So, if Bull A has a \$G of \$19.33 and Bull B has a \$G of \$11.57, randomly mated to comparable cows, Bull A would be expected to sire calves that on average receive \$7.76 more than calves of Bull B when sold on an Angus-oriented grid.

Outreach seminars scheduled

Over the next few months, the American Angus Association will conduct a series of Angus Outreach Seminars across the country. Association staff members Matt Perrier, director of commercial programs, and Bill Bowman, director of performance programs, will outline the AngusSource program and Dollar Value (\$Value) Indexes. Upcoming meetings are listed below.

Those interested in attending the seminars should RSVP by calling (816) 383-5163 or by e-mailing name, meeting location and number in party to mperrier@angus.org. Information is also available online at www.angus.org.

Location, date and time of upcoming Angus Outreach Seminars

City	Date	Time	Location, contact number
Indianapolis, Ind.	Jan. 21	1 p.m.	Holiday Inn Select North, I-465 and N. Michigan Rd., (317) 872-9790
Moline, Ill.	Jan. 22	1 p.m.	Holiday Inn Convention Center/Airport, 6902 27th St., (309) 762-8811
Hutchinson, Kan.	Jan. 23	2 p.m.	Encampment Building-Kansas State Fairgrounds (with Kansas Angus Futurity)
Boise, Idaho	Feb. 2	6 p.m.	Holiday Inn-Boise Airport, 3300 Vista Ave., (208) 344-8365
Sacramento, Calif.	Feb. 3	2 p.m.	Radisson Inn, 500 Leisure Lane, (916) 922-2020
Fort Worth, Texas	Feb. 9	2 p.m.	Texas & Southwestern Cattle Raisers Ass'n, 1301 W. 7th St., (817) 332-7064
Athens, Ga.	Feb. 13	10 a.m.	The Classic Center, 300 N. Thomas St. (with Georgia Cattlemen's Convention), (706) 208-0900
Cullman, Ala.	March 8	1 p.m.	Cullman Stockyards, 2 miles east of I-65 on Hwy. 157, (256) 734-4531
Winchester, Va.	May 3	2 p.m.	Best Western Lee-Jackson, 711 Milwood Ave., Exit 313 from I-81, (540) 662-4154

Carcass EPDs, ultrasound body composition EPDs or both, when available, are used to establish an individual animal's \$G, she said.

The index uses a quality grade schedule and a yield grade schedule typical of a grid on which Angus and Angus-type cattle would be sold (see Table 1). The grid assumes an average carcass weight of 816 pounds (lb.), with a heavyweight discount of \$20 per cwt.

The industry values used to calculate the indexes are based on three-year rolling averages. While they may not reflect current market values, three-year averages have historically provided a more stable, accurate prediction of future prices. They also provide continuity from one evaluation to the next.

"The final value will tie together the postweaning performance merit and the carcass value into a terminal-type snapshot," Dolezal said. "\$B is a prediction of how future progeny are expected to perform in this terminal-type, postweaning phase — with feedlot performance and carcass value expressed in a dollars-per-head difference."

\$B incorporates \$F and \$G, but it is not a sum of the two, she said. Adjustments are made to prevent weight from being double-counted in the final value.

Further enhancements to the \$Value Indexes will include an interactive Web site where users can define postweaning and carcass parameters to create tailored dollar values for their given scenarios. This would allow, for example, producers selling on a specific grid to incorporate that grid's premiums and discounts into the formula to calculate a custom \$G.

Only a start

\$F, \$G and \$B are meant to be only the first in a suite of indexes designed to ease genetic decision making for commercial cattlemen. The Association is currently considering the feasibility of future indexes for reproductive efficiency and calf production, Dolezal said.

It isn't an easy process. Reproductive traits are of low heritability, meaning it's harder to find the indicator traits that show adequate genetic variation to select for that trait to make directional change. Hard doesn't mean impossible, and Dolezal charged members to submit breeding information and measures of reproductive efficiency to speed up the process of getting a reproductive index.

The end goal is to have a suite of indexes that would include reproductive efficiency, preweaning performance and end-product merit in a net-merit index.

