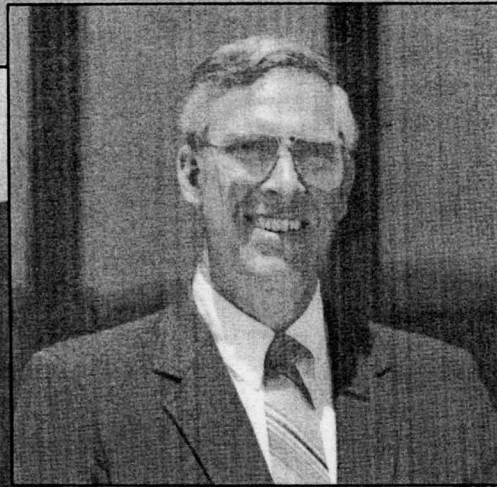




Henry Gardiner as Hiram Gardiner



Dr. Bob Hillier



Missouri Theater

The National Angus Beef Profit Conference . . .

More dollars, more often was the theme.

By Jim Cotton
Editor

It was like going to your aunt's country house and having the fancy lawn party rained out. No matter; everyone moved inside and ate on her white linen tablecloths and with the "company" silver. She was one who relished "occasions" and did her best to stage a memorable one ever so often.

Similar to the American Angus Association's two-day profit conference, open house, and outdoor supper, September 11 and 12. The skies broke and pelted the St. Joseph area with 6.6 inches of driven rain Wednesday night—too much weather for a tent-sheltered evening on the now soggy grass.

But the pitchfork fondue Thursday evening was moved to the St. Joseph Moila Club, and everything rolled smoothly on through what one veteran conference-goer described as "well worth the time and money. One of the best I've been to lately."

Focus of the event was Friday's profit conference staged at the historic and renovated Missouri Theater downtown. Master of ceremonies and Executive Vice-President of the Association Dick

Spader presented the theme "How to breed more value into cattle and get paid for it" to the nearly 500 attending the opening session.

Kansas breeder Henry Gardiner gave the keynote address: "How to stack performance pedigrees to achieve high predictability for all segments of the industry."

By presenting himself as a split personality, Gardiner was able to define and contrast some distinctions between the typical route toward better performance and his approach of stacking performance pedigrees.

"We can make genetic change very rapidly now. What we wish we could have today is what we can have in our breed tomorrow," he stated. Key to achieving such pace and progress is the stacked pedigree, Gardiner pointed out. He described stacked pedigrees as those with sires whose progeny is proven and with dams also sired by progeny proven superior sires.

So convincing is the approach, says Gardiner, that he's employing it in the ranch's commercial herd as well. All

hinges on the sire evaluation report published annually by the Association. "It has to be worth many thousands of dollars a year to our operation."

Gardiner stated all the ranch's replacement heifers, both commercial and registered, have been settled by A.I. without a cleanup bull since 1964. "Most of our registered cows were also settled by A.I. during that time. We have not used a cleanup bull with our registered cows in the last seven years."

He presented graphic materials that displayed the progress over a six-year period: weaning weights averaged 526 pounds in 1980 to climb to an average of 786 pounds in 1986. "The 108 steers weaned on July 18, 1986 had more stacked pedigrees than any other group of steers that we had ever raised."

Charts he displayed also indicated stacked pedigree calves start their faster growth at conception and not at birth, alerting breeders to expect heavier birthweights when planning such matings. Selecting bulls and dams by EPD and stacking those pedigrees does present the risk of heavier birthweights, but he

The Conference was a well-rounded "occasion"



The pitchfork fondue was a hit featuring CAB ribeyes cooked in soy oil provided by Gary Ellington representing the Soybean Merchandising Council. Chef Les Menke, on right, of Des Moines, Ia. brought the expertise while Association regional managers took care of the forks. Steaks are dipped for approximately two and a half minutes at temperatures approaching 300 degrees.

Other commercial supporters of the conference included American Breeders Service, Select Sires, and Vita-Ferm, Bio-Zyme Enterprises, Inc. Leatherstocking Farm, Easton, N.Y., donated the "Drifter" statuettes to the speakers and honorees.



Eddie Cazel, manager of the Moila, was honored both on the occasion of his approaching retirement and for his many years of friendship and assistance to the Association. He responded to Thursday night's emergency by opening the club's banquet hall when rain forced cancellation of the outdoor supper at the Association headquarters.



Kathy Lutz of the Association's public relations department explained some of the advertising programs.

suggested "cows having 60-pound calves when they are large enough to have 90-pound calves is like driving your truck down the interstate in low gear."

Gardiner's data held little comfort for crossbreeding advocates. From his feeding trials, he found high EPD straight Angus steers fed to slaughter weights gained as well or better than the crossbreds. Tests conducted at area commercial yards also revealed the straight Angus steer, selected and produced as a result of stacking high EPD pedigrees, converted more efficiently than the crossbred counterpart. Cost of

gain emerged five to 10 cents a pound cheaper, and slaughter weights were achieved six months earlier.

"One of the highly desirable traits of these high EPD calves is, though they have a lot of bloom and condition on them when they come off the cow, these steers can go directly into the feedlot and gain above average. I have seen crossbred steers that did not have high EPD that were as bloomy as ours come off the cow and do poorly in the feedlot."

Gardiner presented comparison of high EPD Angus and three-way crossbred steers he characterized as



Notables at the conference included Mr. and Mrs. Frank C. Murphy. Murphy is the official artist of the American Angus Assn. Jerry Palen, nationally-known cartoonist and illustrator of the Association's "Time Out" booklet, was on hand to perform those autographing chores any artist-writer adores.



"Wildflower" from Las Vegas entertained.



Gloria Hurlbut of the performance department demonstrated the Association's new record and performance software to Larry Schupbach of Sparta, Il.



Angus Journal staff artist Steve VanDyke lists steps in the ad process for one of the many tour groups visiting Thursday.

"ideal to maximize growth and utilize hybrid vigor. Their performance was disappointing."

At 205 days, the Angus and three-way cross steers weighed in at 528 pounds and 444 pounds respectively. The

crossbreds were weaned at seven months, three weeks of age and supplemented on pasture until they entered the feedlot at 727 pounds on the average. Gardiner's straightbreds were weaned at 10 months of age, no pasture,

and entered the feedlot directly after weaning at 736 pounds. Days on feed were dramatically varied, 115 days for the Angus, 153 for the crossbreds.

Gains for the straights averaged 3.74 pounds per day, 3.01 for the crosses.

Panel: "How to add profit to a commercial herd using sire evaluation."



Tom Price, Pres. InterWest Farm and Ranch Mgt., Inc. Lynn Ballagh Burwell, Ne. Gray Coyner Fleetwood Farm Delaplane, Va.

LYNN BALLAGH: "Sire evaluation allows me to use bulls with birthweights and performance data to correspond to my heifers' frame and growth pattern while considering her pelvic measurement—all in an effort to obtain optimum results. It's nice to have the extra income from the heavier steers, but where the profit has really been for me in sire evaluation is with the cows that it's put back in my herd. In seven years we've improved our 205-day weights on the heifers by an average of 105 pounds.

"It's a necessary tool to measure if our goals are being obtained. As an official test herd for the Association, we've learned to appreciate the value of predictable performance. I keep the number of traits to a minimum and make sure each one contributes to the profitability of the herd. Yearling weight receives the highest priority. We select heifers based on their own performance and pelvic measurements.

"We've tested 42 top young performance sires from 10 different breeding programs by A.I. since 1970."

GRAY COYNER: "Our calf weaning weights were 346 pounds in 1970 and increased to 445 pounds in 1982. Because most of our sale figures are based on slaughter steers, we have not only seen average choice weights increase from 1,055 pounds in 1970 to 1,288 pounds in 1983, but also have experienced an average yield grade increase from 3-4 to 2-3.

"These increases are due to the use of superior bulls that only A.I. can provide and the return of their daughters as replacements to improve the herd."

TOM PRICE: "Large numbers of performance data generated by sire evaluation give us confidence that our genetic programs and selections are accurate. We consider the following when selecting seedstock whether replacement heifers or bulls: 1) The genetic

makeup and quality of the cattle. (Records of performance must be available.) 2) Integrity of the breeder. 3) Availability of the seedstock desired. 4) Location of the herd—consideration given to the adaptability of the purchased cattle to the new environment. 5) Cost of the seedstock.

"The fewer adjustments for birth date and age of dam, the more comfortable we are with the performance ratios.

"Our breeding program utilizes the benefits of genetic selection, hybrid vigor, and the combining of superior attributes of various breeds."

Panel: "Retained ownership—a way to cash in on superior feeder cattle."



From left: Larry Garten, Wagonhammer Cattle Co., Albion, Ne.; Dr. Charles Nichols, Davison and Sons Cattle Co., Arnett, Ok.; Andy Olson, Council Grove, Ks.

LARRY GARTEN: "We've realized \$13.28 more profit per head from nearly 5,000 head over the years using retained ownership. The big advantage is you own the cattle for a longer period of time and you're given more opportunities to sell at a higher price. "You can realize the superior genetics of your cattle rather than passing them on to someone else. It allows you to see how your calves feed out and allows you the opportunity to adjust your breeding program to produce a more desirable endpoint. It's fun to watch your own calves mature into the finished product.

"It ties up your money and you can lose some cattle over the period. Often you can get into a rut of feeding out your own calves whether economics dictate it or not, and you might have a limited market in some instances. It requires an understanding of risk management tools and the discipline to use them.

"We do find our Angus-sired calves generally finish faster than the 'exotic' cross."

DR. CHARLES NICHOLS: "Retained ownership is made more feasible if there's predictable performance available. Knowing the performance ability of your cattle is a great help in preparing accurate projections of a grazing or feedlot program. We turned

Cost of gain was \$47.53 for the Angus, \$58.09 for the crossbreds.

Interest fee assigned was also more than \$10 per head extra for the crosses. The Angus were killed at an average age of 14 months with the crosses taking 17.5 months to finish. Twenty-five per-

cent of the crosses graded Choice while 97 percent of the stacked EPD Angus graded Choice. His summation?

"Crossbreeding without the use of high EPD will not guarantee high performance."

Through genetics, pasture and forage

management, implants, and nutritional analysis, the Gardiner Ranch has been able to elevate weaning weights by nearly 260 pounds in the years 1980-1986.

Figuring an overall \$200 advantage to such performance plus sending these steers into Certified Angus Beef channels at six to 12 months earlier results in in-

some 900-pound long yearlings not long ago from 52-cent cattle into 70-cent cattle through retained ownership.

"It appears to me that it is seldom very profitable to attempt to hedge or contract cattle at the time they enter the lot."

"Long-term benefits of retained ownership should produce demand for genetically superior bulls. Producers that have had a superior breeding program for several years can take full advantage of this performance ability. If your cattle lack growing ability, you'll be disappointed."

ANDY OLSON: "Retained ownership allows the owner to retain most of the cost of selling cattle; some recent figures of mine show \$47 saved per head. Putting calves through the normal marketing channels increases their chance of sickness at least three

times.

"Retaining ownership and putting calves on feed soon after weaning allows me to handle more cows on rough feed and grass. The cost of gain of the calf is cheaper in the feedlot than on rough feed or pasture. My system allows me to market calves from six to nine months earlier and yet my heifers still weigh about 1,000 pound finished and the steers finish at 1,100.

"Some 202 steers I put through the Sublette Feeders, Inc. and purchased by National Beef Packers . . . weighed 1,127 pounds at 17 months. The cost of gain was \$48.50 per cwt. and 96 percent graded Choice or Prime with 88 YG 2, 107 YG 3, and only seven YG 4. Of the 202 head, 62 percent qualified for CAB. "I think the long-term benefits of retained ownership can result in a younger product that's more tender and more acceptable to the consumer."

Panel: "Certified Angus Beef— Merchandising quality and getting paid for it."



From left: "Mick" Colvin, executive director of Certified Angus Beef; Vito Aviola, vice president of meat merchandising, Grestidi's Markets, New York City; Steve Pearson, president of Beef Specialists of Hartley, Ia.; and Rick Nicholas, president of Newport Meat Company, Huntington Beach, Ca.

STEVE PEARSON: "The great appeal of beef has been based on taste. However, as issues of price, convenience, diet, health—especially those related to fat—increased in importance, the role of taste became uncertain. There were two challenges to be identified: What were the demands of specific segments of the market, and what kinds of beef will satisfy those demands? It took a while to find that segment which your product, CAB, was best able to satisfy—the food service segment.

"You people are the genetic engineers. I can only help you by telling you what I think the people want. I can tell you right now, we pay more for black cattle."

RICK NICHOLAS: "Angus beef represents 50 percent of our beef sales. We do a lot of portion control with An-

gus beef for restaurants. We cover most of the very fancy hotels as well as the better end white tablecloth restaurants in southern California.

"CAB is a very natural extension of my company's extreme dedication to quality. It's given our company a nice image and helps distinguish us from the competition, and I can tell you definitely I would not want to sell against it.

"I would hope the American Angus Assn. continues to reinvest the revenue from CAB into advertising and promotion. It's going to be important too to differentiate theirs as a breed selection program as opposed to branded beef programs which are set up for trim, for natural beef, and not quality and selection. CAB is the only breed program that identifies and selects for quality—it's a crucial distinction.

"My perception of Angus beef has been a short, blocky rib and loin section—very desirable when you cut the carcass: you get a large eye in the strip, large eye in the rib. It concerns me to see the emphasis on large-framed cattle and larger beef. When we get that product into a hotel or restaurant, it simply doesn't work. "Prime beef is very limited in production, an accident of the feeding program. Today's Choice Grade is too erratic to work. You're the only show in town for quality beef. You must exert strong control over packer and distributor quality."

VITO AVIOLA: "We couldn't keep our Prime program in place, so we had to come up with some answers. CAB has some dynamite personnel—everyone connected with the program is dynamite, I think.

"I do think the packer, the grower, the distributor, the retailer should form and unite because we all have different problems with each other. We need a council and to work together, uniting on one of the best programs around. Advertising's very important."

creased revenue when interest and feed bills are compiled, according to Gardiner.

He left his audience with the prediction, "Angus cattle have so many great innate qualities in the breed that, if we use the tools available to us, we can make the breed the dominant beef breed."

Dr. Bob Hillier of Hitch Feeders, Inc., Garden City, Ks. led the afternoon session with "What predictable performance is worth to the feedlot operator." Hillier offered his experience of 12 years as a feedlot manager in a setting where 386,000 cattle were fed in 1985.

One of the colorful and opening statements he made illustrated the problems created by the multitude and variety of breeds and the 350,000 possible combinations present today:

"Someone has documented 71 different breeds of cattle in this country. Historically, some were bred for beef, some for dairy, some for dual purpose, some for work oxen, some for rodeoing, and some for worship."

From an era not long ago, he continued, when the country had three major breeds and little variation in type or restriction in end product, the beef industry now encompasses 71 breeds of great variation. Complicating the marketing of these variations and combinations is the public's narrowing of product specifications. Hillier described the finishing segment—his particular interest—as having to field pressure from the packer as to price and product specification while trying to sort through the cross-section of slaughter animals available, looking for those specifi-

cations.

As the feeder contributes an average of 50 percent of the total carcass weight, the stakes are high and achieving repeatability in producing a uniform product every marketing is becoming a feeder's obsession.

"The target is getting smaller. The variability has become greater, and the penalties for missing the target are increasing," he told his audience. Target parameters are these, according to Hillier: Finished weights between 1,050 and 1,250 pounds; Choice quality; preferably YG 2; three to 3.5 plus pounds gain per day; feed conversion of one pound gain to six pounds of dry matter consumed.

Hillier emphasized more and more cattle including Angus are just too big. "These cattle are too big," he repeated, pointing out cattle with frame scores of 8 and above mature too late. Problems with grading at an acceptable live weight, inability to meet quality grades, and undesirable portion size for most customers even when deboned are counterproductive to efficient beef production and marketing.

"The steer that is six feet tall before reaching Choice grade is what the Angus Association's elephant ads are all about. This breed has taken a position; some breeds have not." He also drew some geographic distinctions between those areas of the country seeking Choice quality—the north central and north-eastern sections—and those consumers satisfied with a Good grade, the South and Southern California. He also presented economic data revealing grass-fed standard grade carcasses simply don't pencil out, aside from the lack of eating satisfaction.

Fat trimming is cost prohibitive at an

industry labor rate of \$15 an hour. Trimming works against the beef producer in the form of discounts.

"Variability in genetic makeup of the cattle probably shows up more in the quality and yield grade than in any other area," said Hillier.

To illustrate the justifiable discounts a packer extracts from pens where variation is a problem, Hillier presented an array of situations where failure to make grade, weight, or yield reduce the overall pen performance. He finished with material illustrating the importance of feed conversion.

"Rapid rate of gain tends to go along with better feed conversion, mostly because of fewer days of maintenance. Efficiency in feed conversion is probably the most important trait to the finisher of cattle. Not only because differences among animals during the feeding period involves more dollars per head but, in addition—in groups of cattle of similar breeding—every animal in the pen is involved.

"Ability to go on feed soon, consume large quantities or ration, stay healthy, and convert efficiently are the big factors."

Dr. Hillier concluded by urging his listeners to identify lines of Angus breeding and sires with ability to produce efficiently in the feedyard and qualify for CAB. Commercial breeders should crossbreed with breeds that complement Angus. Carcasses from that effort should be thin-rinded, heavily muscled, and reasonably marbled, he noted.

"Avoid using thick muscled or heavy rind, poor marbling cattle to cross with Angus. Angus cattle are not enough superior in carcass traits to stand much dilution. Avoid cattle with frame scores of 8 or above." AJ



Conference Summary: Dr. Harlan Ritchie, Michigan State University, East Lansing, Mi.

HARLAN RITCHIE: "We need to dig down deep in our heritage and remember this breed was developed as the butcher's beast—remember reading your breed history? Animal Science 101 or whatever?"

"I think we need to focus on that while retaining what we've attained in growth and size in the past 18 years—Angus cattle were too small 17 years ago. We've made vast strides in improving that. We need to identify those lines of Angus that are superior in muscling, more superior than the general population and at the same time will marble. We need to retain adequate milk, hold the fertility

we have.

"Commercial cow-calf crossbreeding programs need to become more specific and narrowed up, tidied up. We need to put aside our petty bickering and divisiveness as purebred breeders and also among the various segments of the industry.

"I think we need to be optimistic. From my travels and visits with all segments of the industry, I'm feeling good vibrations about our industry. There are a lot of good minds and people in this breed. We're gonna get better, we're gonna get well, we're gonna get good!"