

Down Kansas



Angus cattle records and marketing spotlighted during the 1997 Kansas Angus Tour

Story by Sharon Lindell
Photos by Bill Bowman

More than 230 participants from five states followed highway 169 for the 1997 Kansas Angus Tour, Aug. 9. Tour participants visited four registered Angus herds in east central Kansas. Also during the day-long event there was a presentation on herd record management and a panel discussion of marketing alternatives. Kurt Schaff of the American Angus Hall of Fame was the master of ceremonies.

The first tour stop down route 169 was at Vohs Angus Farm near Paola. The family operation is managed by Lester Vohs, his son, Ronnie, and their families. The Vohs Family has been in the registered Angus business since 1956 and manages 120 registered cows.

The next stop was the Baxter Angus Farm south of Osawatomie, owned by Bill and Rita Baxter, and their sons, Jeff, Wade and Will. Jeff and Bill manage the farm. Their breeding program is centered on a Shoshone Viking GD60 cow herd base mated to Paramount Ambush. The Baxters are linebreeding specially for marbling and maternal function.

The group then traveled to Greeley to visit H&M Angus Farms, owned by the Henry & Mary Morgan Family. The

Morgans served a steak sandwich lunch and hosted guest speaker, Scott Johnson, Angus Herd Management System (AHMS) director for the American Angus Association. Using a computer projector, Scott demonstrated how AHMS works and explained the basic ways it can be used.

H&M Angus Farms is a family business that was started by Henry in 1945 with two heifers bought for a 4-H project. The herd has grown to 130 registered Angus females in a fall and spring calving program. Henry and Mary manage the operation along with their son Dan and his wife Amber. Two other sons, Tim and Jim, own cattle in the operation.

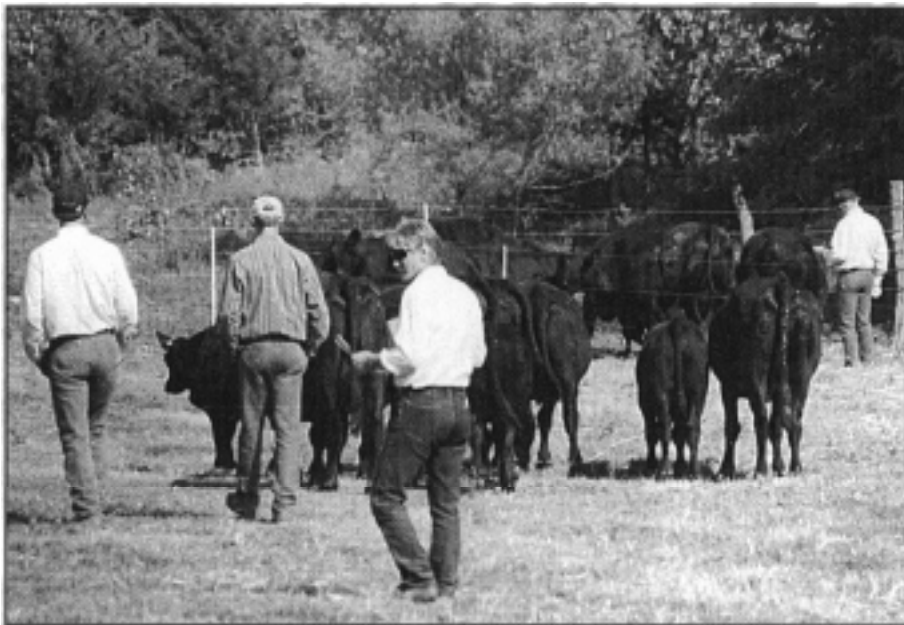
The final stop for the day was Hillhouse Angus Ranch near Garnett, owned by the Benton Family. The Hillhouse herd was also started as a 4-H project, when Tim purchased a cow and three heifers in 1961. His father, Tom, joined the business a few months later, and today the herd includes 125 registered Angus cows and 75 commercial cows.

Also displaying cattle at the last stop was M&W Elm Creek Angus, LaHarpe, owned by Loren & Mary Moore and Roger, Zach and Josh Womelsdorf.

The grand finale of the tour was a panel discussion of marketing alternatives of Angus cattle. Moderated by Tom Morgan of Morgan Research Group, three panel members spoke about the changes occurring in marketing commercial cattle as the industry moves toward a value-based market, and ways to take advantage of these new opportunities.

Panel members were Ted Schroeder, Kansas State University agricultural economist; Mark Mahnken, manager of Manken Cattle Company, Salisbury, Mo., an operation providing assistance in marketing on carcass merit; and Ken Conway, manager of Angus America, a value discovery and branded beef program. Each panel member discussed his views on marketing and then fielded questions from the crowd.

The lively and thought-provoking discussion revealed there is a premium for Angus cattle, especially those with a history of data behind them, specifically feedlot performance and carcass data. The Certified Angus Beef (CAB) Program has provided a demand and a structure for the new alliances and grid-pricing programs to fill the gap by offering a premium for cattle that produce high-quality carcasses. Panel members agreed, producers wanting to take advantage of these programs must develop a system of collecting feedlot and carcass data on their cattle and then find the best available marketing program.



(above) Tour participants view cow-calf pairs, donor cows and bred heifers at Hillhouse Angus, Garnett.

(right) Mark Mahnken, manager of Manken Cattle Company encouraged producers to find a marketing option that fits their breeding program.



Get With "A" Program

Many producers today are confused and overwhelmed by all the new alliances, grids and marketing programs that have sprung up lately. To many producers, it may seem a lot easier to just load up their cattle and drop them off at the local salebarn and then pick up their check at the end of the day.

Many producers look at that check and think, I know my Angus calves were better than that multi-colored rainbow in the next pen and they brought almost the same price. Is there a way I can make sure they get what they're worth? Many seedstock producers may also be wondering why they should be asking a premium for their bulls when they don't know if their customer will get a premium for the progeny he'll produce. These topics were addressed by the panel at the Kansas Angus Tour, Aug. 9 in Garnett.

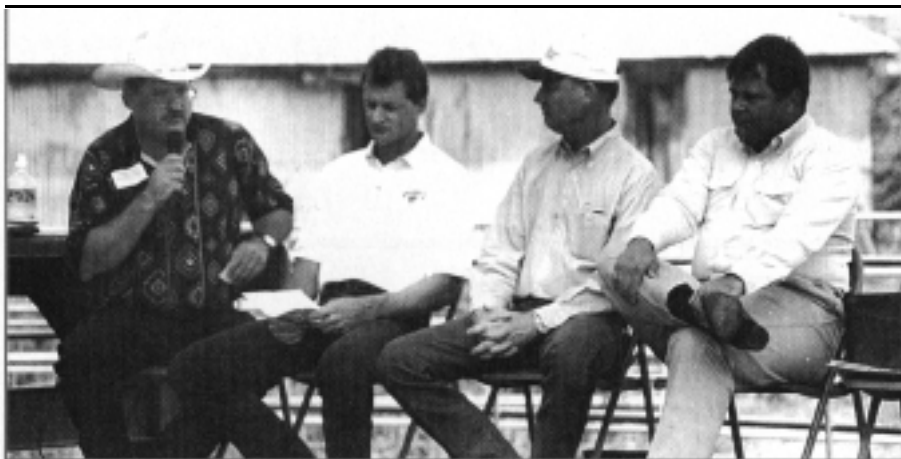
Here's proof

Ted Schroeder, Kansas State University agricultural economist, has conducted various projects on value discovery and price relationships. What he has found is that Angus cattle are earning a premium over other breeds, in all marketing phases from fed cattle to seedstock. The data he shared included

- During the week of Aug. 4, 1997 the U.S. Department of Agriculture (USDA) seven-packer price grid indicated an average premium for fed cattle of \$1.14 per hundredweight (cwt.) meeting *Certified Angus Beef*TM qualifications, with a range of \$0 per cwt. to \$2.50 per cwt.
- In 1993, a study revealed Angus feeder steers brought \$1.80 per cwt. more than Herefords. Angus cow-calf pairs brought \$68.58 per pair more than Hereford pairs in 1993, and Angus bull prices were close to double the price of Hereford bulls.
- Black Simmental, Gelbvieh and Limousin bulls brought a 15 to 50 percent premium over non-black bulls within their breed.

Schroeder outlined how a cattle buyer can afford to pay more of a premium for an Angus calf that meets *Certified Angus Beef* requirements. (See chart)

To continue the demand of Angus cattle



Marketing alternatives panel members at the 1997 Kansas Angus Tour pictured (l to r) are: Tom Morgan, moderator Ted Schroeder, Ken Conway and Mark Mahnken.

he said it's essential that branded beef products with an Angus name be consistently of high quality, that Angus cattle continue to feed efficiently, produce high-quality beef as cheap as possible and produce high-quality calves with low production costs.

Schroeder also said that Angus value is influenced most at the seedstock level.

Show me the data

Ken Conway, manager of Angus America, said in his presentation that in the future there will be two distinct classes of cattle— source verified, quality controlled cattle with past feedlot and carcass data that will sell for a premium, and undocumented cattle that will sell at a discount,

He stressed the importance of collecting feedlot and carcass data and using the information to select for carcass traits. Producers who do this will be successful in a value-based market. Currently most systems price on the average, which tends to pull up the price for poor-quality cattle and pull down the price for high-quality cattle. He says if producers track their cattle through the feeding process and gather carcass data they will arm themselves with proof that their cattle are worth more.

You better shop around

During the panel discussion Mark Mahnken, manager of Manken Cattle Company, also emphasized the importance of gathering data. He stressed there are several programs in existence that demand different types of cattle and that producers have to find the one that is best for their cattle. For example, if a producer's cattle are lean but not quite *Certified Angus Beef* quality, they could investigate participating in a program that targets branded products concentrating on leanness.

He also suggested that producers look at feeding their cattle at smaller feedlots that are willing to take more time and effort in helping collect individual performance and carcass data on cattle.

Seedstock suppliers who become knowledgeable of the alliances, branded beef programs and feedlot services offered will be able to help their customers find a premium for their cattle. By helping customers collect data, a seedstock producer can learn more about the cattle they are producing. This is a great service to customers and creates an opportunity for herd improvement.

What *Certified Angus Beef*TM Fed Cattle Price Premiums Mean for Angus Feeder Cattle and Calf Prices

(Assuming cattle meeting *Certified Angus Beef* requirements have the same feeding performance as other cattle)

Market Choicefed price	Cattlemeeting <i>Certified Angus Beef</i> requirements price	<i>Certified Angus Beef</i> premium	750 lb. feeder steer price	Angus feeder premium	550 lb. steer calf price	Angus calf premium
65	65	\$0.00	72.19	\$0.00	80.85	\$0.00
65	66	\$1.00	73.79	\$1.60	82.93	\$2.08
65	67	\$2.00	75.39	\$3.21	85.01	\$4.17
65	68	\$3.00	77.00	\$4.81	87.10	\$6.25

\$ per hundredweight (cwt.)