

Angus Stakes

by Shauna Rose Hermel, editor



Envisioning the future

In the last few weeks, it seems I've been asked more often than usual how I envision the future of the Angus breed and the American Angus Association. I believe there's an exciting future for Angus breeders and their commercial customers.

- I see continued growth in an industry that has learned its lessons about the necessity of fulfilling the end-product needs of its customers. I predict beef will capture a larger share of consumers' protein dollars as more and more high-quality beef convenience products come through the pipeline and consumers get a taste of good beef at restaurants and from the meat counter in their local grocery.
- I see continued growth in an industry concentrating on brands to describe products within a narrower range of specifications, making those branded products more uniform, more consistent, more predictable. To the extent they remain true to their brand niche, and to the extent there is a demand for that niche, brands will flourish.

The winner is ...

Congratulations to Andy Sutton, Nicholasville, Ky., winner of our September readership survey drawing. Andy will receive a wristwatch.

Thanks to those who turned in surveys. They help us monitor which types of stories and which writers you prefer.

Don't miss out ...

Just in time for Christmas, we're going all out with this month's readership survey. We'll give the winner of our readership survey one of the last available prints of Frank Murphy's "Mists of Autumn." A \$100 value, this is a beautiful print.

You'll find this month's readership survey on page 213.

National show clarification ...

In the Louisville preview in the October issue, we mistakenly referred to the Angus show at the North American International Livestock Exposition (NAILE) as the 2000 National Angus Show. However, the Angus show at the 1999 American Royal has that designation in honor of its 100-year anniversary.

- Demand for carcasses that meet brand specifications will drive premiums and discounts available through grade-and-yield selling and live bids. This will crystallize packer targets, which will become narrower.
- "Portion size" will play a greater role in determining carcass targets.
- Following the lead of the pork industry, I foresee a day when fed cattle will be purchased only on a grade-and-yield formula.
- I foresee increased demand for cattle that meet the packers' targets and reduced or no demand for cattle that don't.
- As long as packers can find enough cattle to fit their targets, they'll continue to buy finished cattle; if they can't find the type of cattle in the quantity they need, they will be forced to feed more cattle to control their raw product.
- I see continued demand by feeders for feeder cattle that will perform consistently and predictably; there will be little or no demand for cattle that won't.

There will be more steadfast inter-segment partnerships as feeders value and try to maintain reliable sources of predictable cattle. If commercial cattlemen don't supply a predictable feeder calf, feeders will be forced into the commercial cow-calf business to guarantee the quality of the feeder-cattle supply.

- I see increased reliance of commercial cattlemen on their seedstock suppliers to help them raise high-quality calves of predictable performance. Seedstock suppliers who carry through will expand their customer bases; those who don't, face an uncertain future.

If seedstock suppliers won't (vs. can't) provide those predictable genetics, commercial cattlemen will have no alternative but to control the "grandparent" herd and produce their own.

There are some similarities between the fork in the road that the beef industry faces and that faced by the pork industry a few years back. But there are some major differences that will, I believe, prevent what happened in the pork industry from

happening in the beef industry.

One is environment. You can put sow herds in a controlled environment and use the same genetics in South Dakota as you use in Georgia. That's a little more difficult with cow herds.

The other factor that will make a difference is the Angus database.

In the points listed before, the factor determining whether the industry structure will change is the predictability of the product available to buy. As in any business, if the manufacturer can't source needed materials from a reliable supplier, it is forced into becoming its own source.

When the hog industry hit its crossroad, timing was on the side of the breeding companies. Through controlling the grandparent herds and contracting the commercial herds, they were outputting in volume a uniform set of genetics that were predictable on the rail. Not so with the breeds, which were just establishing expected progeny differences (EPDs).

Our database gives those breeders who tap into it through performance pedigrees, Angus Herd Improvement Records, and the newly authorized Angus Beef Records Service (BRS; see page 258) the opportunity to provide the predictable genetics.

- I foresee a day when feeders will value groups of feeder calves that carry with them certificates of predicted performance — performance pedigrees, if you will.
- Through the database; through the Performance Programs, Angus Information Management Software and Commercial Relations departments; and through the Supply Development Team, the American Angus Association will provide the necessary tools for seedstock and commercial Angus producers to market predictable genetics.
- Your future hinges on your desire to be in the cattle business and your ability to reliably and consistently meet your customers' needs with a uniform, predictable product.

A handwritten signature in black ink that reads "Shauna".

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