

# from the office

## LEAD IN

By Richard Spader, Executive Vice President, American Angus Association



In the midst of what certainly is a recession on the farm, it might appear that one would have to reach for the rose-colored glasses in order to make an optimistic prediction for Angus cattle and Angus cattle breeders in 1985.

Nevertheless, I think there are sound indicators of better times ahead for the Angus business. Now this isn't true for all breeds of cattle. Neither is it true for all breeders of Angus.

First, let's look at the factors that provide a current positive outlook for our breed.

1. The liquidation of this nation's cow herd continues, pushed by lower prices and drought in some areas of the country. This is a positive sign for the cattle business as a whole and prices are expected to increase across the board later in 1985.

2. As prices improve and as the drought ends, there will be a push to rebuild cow herds in some areas of the country, such as the rain-starved areas of Texas. With the strong maternal advantages offered by Angus, it makes sense that much of this restocking will be done with Angus and Angus-base cattle.

3. There is a growing recognition in this country that the maximums that so many have strived for in cattle production—mature size, high birth weights and extremely heavy weaning and year-

ling weights—are not the most economical way to raise cattle. Mark my word, and we are already seeing some evidence of it, researchers are going to "discover" that moderate-size cattle, under the right kind of selection programs, are the most efficient. That is going to boost the popularity of British breeds, particularly Angus.

4. Along this same vein, many of the commercial cow herds are so crossed up with exotic breeds of cattle that performance and profits are suffering. Research has shown that the large, continental females are not efficient mother cows. Their maintenance costs are just too high. Yet, many commercial cow-calf operators have retained replacements from continental crosses because they found the rigors of a three-way crossbreeding program with a terminal continental cross too complicated and demanding for their management programs. Short of selling out and starting over, which few will do, the best way for them to overcome this efficiency problem is to use Angus bulls extensively.

5. The Certified Angus Beef program is growing steadily—some would say phenomenally. Let's not kid ourselves. Top quality Angus feeder cattle are still discriminated against at some auction markets. But there is less and less of this, and the CAB program will play a big role in reversing this discrimination. The demand for the best Angus finished cattle to fill CAB orders will increase and this will spill over into most areas of the country.

6. And finally, I think our new advertising program will help push these trends along and build demand for Angus. The ads present a strong selling message in a unique way that is sure to be read and understood by almost every cattle producer in the nation.

Now, the next question is who, among all Angus breeders, will benefit most from these conditions.

First, geography will play a role. Those areas of the country where drought has diminished cow populations can expect to benefit most from

herd rebuilding. Also, those areas of the country where unplanned crossbreeding has run most rampant offer good opportunities for increased sales. Here a lot of genetic correcting needs to be done. And, to some extent, areas of the country that surround a good CAB packer can expect more Angus business.

Second, sound breeding programs based upon AHIR records are going to be important. While every commercial cow-calf producer who comes to your place to look at bulls may not ask to see your performance records first, your records will play a big part in the decision to buy or not to buy. Every bit of research we have done with commercial producers points to the fact that they want to buy bulls from herds with good performance records.

Third, the Angus breeders who do the best job of merchandising their cattle, their breeding programs and themselves will garner the most sales. Our focus group interviews this year proved that people like to buy from breeders they know and trust. Commercial cattle producers told us they do indeed read advertising to find out who has cattle for sale and who is performance testing. Advertising and promotion, done properly, sells products—from aspirin to Angus. The good Angus advertisers will sell more cattle.

No one knows who the cattle business will shake out. We are being whipped daily by unfair claims that people eat too much beef for their own good health. If another severe recession hits in the next year or 18 months, as some of the more pessimistic economists predict, it could dramatically cut into retail beef sales. There are always those who look at the future through a cloud of gray. And besides, these factors are beyond our control.

But, regardless of your perspective, things look better for the Angus business than they have for some time. My hope for 1985 is that we can capitalize on the advantages we have working for us, and move our business ahead to the benefit of us all.

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