

# Lead In

by Richard Spader, executive vice president



## Angus reporting a good spring sale season

The spring sale season is all but over for 2000. A few sales remain, but the majority have been held.

Angus bull sales in 2000 have been excellent. A few areas of the country were affected by drought conditions and low agricultural prices; but, in general, the average value of Angus bulls sold at auction met or exceeded expectations. It's a good time to be in the Angus business.

One of the best indicators of Angus demand is the average sale values recorded by the *Angus Journal*. Records kept through March of this year posted a total of 330 sales with an average on 15,238 bulls at \$2,363. That's a \$267 increase over this same time period in 1999.

By most indicators, much of the groundwork has been laid for a significant recovery in the beef cattle business and, more specifically, in the Angus business. The liquidation of cow numbers has brought production and demand to levels that are once again profitable for most people in the industry.

The future of the beef industry, especially the cow-calf business, looks good for the next few years. It may be the bright spot in the agricultural outlook.

### ■ Consumer demand

On the demand side, there are two significant factors that could increase consumer beef demand. For one, the economy continues to improve. As family disposable income increases, it is likely that families will purchase more beef for home consumption and eat out more often. That's good news for cattlemen because beef is the most-ordered restaurant entrée.

What's more, the industry's consumer advertising and information campaigns are changing people's attitudes and have a positive effect on beef demand.

I have little or nothing to back up this next statement, but I feel the emphasis by many Americans on protein diets is having

an effect on eating habits. Many Americans may not totally embrace protein diets, but at least they are coming back to beef as a meal mainstay.

From here on, people — both doctors and the general public — will be a bit more logical and realize that diet, exercise and genetics play a much more important role in health than the eating or not eating of a single food, which in beef's case is extremely healthy and great-tasting to boot.

### ■ Other advantages

All of these factors are working together for the benefit of the beef industry. But Angus breeders have other advantages that producers of other breeds do not.

In the past 20 years, commercial cattle producers have searched in vain for a way to dramatically improve their profits. This has led some to try every new breed of cattle, as well as some not-so-new breeds, available in the United States. The most dramatic of these experiences has been to demonstrate, often in a somewhat painful way, the traditional advantages of Angus cattle.

I know of one commercial producer from South Dakota who this time last year purchased 100 commercial Angus cows and bought some top-quality Angus bulls to use on them. He had been through a wreck with some other breeds and decided to start again. He may decide to crossbreed, but he will use the Angus herd to form the base of his entire cow herd. He says his heifers never will see anything but an Angus bull.

This isn't an isolated case. Cattlemen from all over the country have experienced it, and they are returning to Angus bulls to solve some of their problems. This is what we have seen in the earlier part of this year — excellent demand for Angus bulls from an increasing number of good commercial cow-calf producers.

Packers also continue to demand Angus and Angus-cross cattle. Most buying grids today have a built-in advantage for higher-

grading cattle with excellent cutability. Angus fill the bill more often than the competition. What's more, the Certified Angus Beef (CAB) Program<sup>1</sup> is creating demand for Angus cattle that is filtering down to the bull buyer. The publicity created by the Program is obviously having an effect on demand.

And finally, credit must go to the continued, strong and effective advertising and public relations programs that American Angus Association members have funded through their membership dues. The ads, directed at the commercial cow-calf operator, have hammered on the traditional Angus advantages that relate to the most trouble-free breed in the industry.

Our promotional programs have kept the Angus name in front of the public and have maintained the image of Angus as a quality breed. People enjoy being associated with a winner. Our programs project this image of Angus cattle and the American Angus Association and undoubtedly help account for increased Angus business.

### ■ Prepare yourself

As an Angus breeder, you need to be prepared for the coming years. You may want to increase the number of high-quality registered Angus bulls and females you have for sale. Remember, the number of calves you register this spring and fall will determine what you have to sell a year or more from now.

You also may want to make an assessment of the market for Angus cattle in your area. Along with this, take a close look at your herd advertising and promotion program. The breeders who get the most business in the years ahead will not only be the ones with the best cattle, but the ones who also do the best job of marketing their herds and breeding programs.

*Richard J. Spader*

<sup>1</sup>The CAB Program is owned and administered by Certified Angus Beef LLC, a wholly owned subsidiary of the American Angus Association.