

Add Value to Bulls

Customers expect a range of services along with excellent genetics.

by *Boyd Kidwell*

Angus bull sales are booming. There are many seedstock producers with excellent genetics competing for buyers, and commercial cattlemen are becoming much more sophisticated in their sire selections.

As they adapt to attract buyers, here are several ways veteran bull producers are adding value for customers.

Serve your bread-and-butter market

When Knoll Crest Farm Inc. hosted its recent bull sale at Red House, Va., two-thirds interest in the top-selling Angus bull brought \$71,000. It's great to hit a home run by selling a bull valued at six figures. But Knoll Crest's bread-and-butter is still the commercial cattleman who pays \$1,500-\$2,500 for a bull, according to genetics manager Paul Bennett. The second high-selling bull at the sale (a half-brother to the top seller) sold for \$7,500, while one-third of the Knoll Crest bulls sold for \$1,500-\$2,500.

Knoll Crest Farm is owned by James Bennett and his three sons. Paul is the oldest and manages the cattle breeding program. James has been selling seedstock at Knoll Crest for more than 50 years and for many years operated a bull test station at the farm. As a result, Knoll Crest has traditionally been a center where cattle producers from Virginia and surrounding states have shopped for herd sires.

The Bennetts have observed that bull buyers in the Southeast generally break into three groups.

CONTINUED ON PAGE 128



PHOTO BY SHAUNA ROSE HERMEL

There are high-end customers [artificial insemination (AI) companies and purebred breeders] who pay eye-popping amounts for rare animals perceived as breed changers. Then there are large commercial cattle



Paul Bennett

operations that pay several thousand dollars for genetics with added value for feedlot efficiency and carcass value. Many large operations also manage fall-calving and spring-calving herds so they spread the costs of top-notch bulls over two herds.

“Progressive producers can pay \$5,000 for bulls because they capture added value in the feedlot and at the end product level. There’s also a growing commercial heifer market that has evolved in the Southeast during the past 10 years. Many producers are buying replacement females rather than producing their own, and commercial cattlemen are selecting sires to produce these heifers,” Bennett says.

Finally, the Southeast is full of part-time cattlemen who only buy a bull every three or four years to service 20-40 cows. Knoll Crest makes a strong effort to serve this group. Each Knoll Crest bull is screened for

structural soundness and disposition. The Bennetts offer a full 12-month guarantee on their bulls that includes replacement if a bull dies or becomes injured. The Virginia family has also organized cooperative marketing programs, so producers with small herds can commingle Knoll Crest-sired calves and sell them in truckloads or send them to feedlots in groups.

The Bennetts are always excited to hit a home run by selling a bull worth six figures, but they’ve never lost touch with the commercial producers that make up their bread-and-butter market.

Keep commercial customers happy

Circle A Ranch of Iberia, Mo., breeds 8,000 head of commercial Angus cows with bulls raised on the ranch. These calves are fed



Jeff Windett

out and sold on the grid, which gives commercial marketing manager Jeff Windett a tremendous database with which to work.

“This data demonstrates that our breeding plan works in the real world,”

Windett says. “At today’s cattle prices, it’s never been easier to prove to buyers the

difference between a \$2,000 and a \$3,000 bull.”

Circle A will offer 120 registered Angus bulls in its spring sale. Most of the ranch’s customers are commercial producers from Missouri and surrounding states who pay \$2,500-\$3,000 for herd bulls. To help its commercial customers, Circle A also coordinates Circle A-influenced cattle sales at several sale barns. Before these sales, Windett contacts feedlot buyers and describes the genetics they can expect to find at these sales. In 2007, the ranch is opening a new feedlot and will pay premiums for calves sired by Circle A bulls.

“We look at this as a partnership. We want our bull customers to make money, and we want to decrease the level of hassle for buyers. It costs us too much to find good bull customers,” Windett says.

Sales incentives

With many good Angus bulls available, seedstock producers are expanding customer service to attract buyers. Tommy Donnell of



Tommy Donnell

Donnell Cattle Co. in Graham, Texas, provides extensive genetic information for buyers at Wehrmann-Donnell sales.

“Commercial breeders have the need and right to know as much as possible about a bull before they buy it,” Donnell says.

Donnell Cattle Co. and Wehrmann Angus of New Market, Va., host two joint sales annually to market 500 bulls. Donnell also attracts buyers with innovative sales incentives, including:

- ▶ complete pedigree, expected progeny differences (EPD), dollar value indexes (\$Values), performance and ultrasound data;
- ▶ free delivery within the U.S., and a \$50-per-head discount for pick up;
- ▶ breeding soundness guarantee;
- ▶ sight-unseen guarantee for absentee buyers;
- ▶ on-site buying assistance by qualified consultants;
- ▶ at-home bidding through live broadcast over RFD-TV;
- ▶ marketing assistance for calves sired by purchased bulls;
- ▶ repeat buyer/volume discounts; and
- ▶ free AngusSource® ID tags for Wehrmann-Donnell-sired calves.

There’s no doubt free delivery and sight-unseen guarantees are important to absentee

Better bulls for the bluegrass

An innovative cost-share program for bulls is having a positive effect on beef cattle production in Kentucky. By using tobacco settlement funds in its cattle genetics program, the Bluegrass State has encouraged thousands of cattle producers to buy better bulls.

Details of the program vary from county to county, but the cost share basically works like this: If a producer buys a bull that meets the program’s expected progeny difference (EPD) requirements, he or she is reimbursed half of the purchase price, not to exceed \$1,250 per animal. This means that if a producer pays \$2,500 for a bull with qualifying EPDs, the cattle genetics program matches \$1,250 of the purchase price. As a side benefit, demand for qualified sires has raised the price for bulls by about \$200 per head.

Since 2001, Kentucky has provided cost share for 10,888 bulls and has spent \$13 million on the cattle genetics program. Kentucky Extension specialists have also conducted an educational program to help producers learn to select herd sires.

Bulls can qualify for cost share under six categories:

- ▶ balanced-trait bulls;
- ▶ heifer-acceptable bulls;
- ▶ terminal-trait bulls;
- ▶ low-maintenance bulls;
- ▶ high-productivity bulls; and
- ▶ carcass-merit bulls.

“Order buyers say they’ve seen a huge increase in the quality of calves at our certified preconditioned health (CPH) sales,” says Darrah Bullock, Kentucky Extension beef specialist. “I can guarantee that the program has increased recordkeeping by seedstock producers and has improved Kentucky producers’ ability to select bulls.”

buyers. The Wehrmann-Donnell joint venture has broadcast 13 bull sales through Superior Productions over RFD-TV, and this is a key reason buyers from 18 states purchased bulls in the last sale.



Richard McClung Jr.

the source, genetic and group age information of enrolled cattle.

“Ranchers are really becoming interested in AngusSource ID tags, and they realize their value as a marketing tool,” Donnell says. “Ultrasound data on bulls is also very important to ranchers who want to improve carcass characteristics in their herds. I see more and more ranchers utilizing ultrasound as a selection tool on replacement females.”

Tough bulls for harsh conditions

Jerry Connealy’s family has been raising Angus cattle in the Sandhills near Whitman, Neb., for 45 years. Throughout the years, the Connealy herd of 1,500 Angus cows has been heavily culled for productivity and managed under conditions that mimic the reality of



Jerry Connealy

Connealy Angus Ranch’s bulls.

Feed availability is a limiting factor in the Sandhills, and Connealy balances his customers’ desire for growthy calves with his desire to keep mature brood cows at a moderate size of around 1,200 pounds (lb.). He also wants bulls that sire heifers with milking ability and that rebreed with a limited supply of feed.

“Our environment will only sustain so much milk and growth. Most of our customers save heifers from these bulls as replacement females, so it’s important that we keep the mature size of cows at a reasonable level,” Connealy says.

This spring Connealy Ranch will hold its 38th bull sale. To assist customers in making buying decisions, Connealy strategically

Donnell and Richard McClung Jr. of Wehrmann Angus recently introduced a new incentive with free AngusSource tags. The AngusSource program identifies Angus-sired calves and documents

the source, genetic and group age information of enrolled cattle.

“Ranchers are really becoming interested in AngusSource ID tags, and they realize their value as a marketing tool,” Donnell says. “Ultrasound data on bulls is also very important to ranchers who want to improve carcass characteristics in their herds. I see more and more ranchers utilizing ultrasound as a selection tool on replacement females.”

Sandhills ranches.

About 90% of Connealy’s bull customers are ranchers who live within a 200-mile radius of the ranch. Angus breeders from across the country and AI companies purchase about 10% of

Connealy Angus Ranch’s bulls.

Feed availability is a limiting factor in the Sandhills, and Connealy balances his customers’ desire for growthy calves with his desire to keep mature brood cows at a moderate size of around 1,200 pounds (lb.). He also wants bulls that sire heifers with milking ability and that rebreed with a limited supply of feed.

“Our environment will only sustain so much milk and growth. Most of our customers save heifers from these bulls as replacement females, so it’s important that we keep the mature size of cows at a reasonable level,” Connealy says.

This spring Connealy Ranch will hold its 38th bull sale. To assist customers in making buying decisions, Connealy strategically

10 tips to boost bull sales

Breeders say these 10 services help them attract customers:

- ▶ Complete pedigrees, expected progeny differences (EPDs), performance information and ultrasound data.
- ▶ Free delivery or rebates if the buyer picks up their purchase.
- ▶ Breeding soundness exams (sometimes referred to as BSEs).
- ▶ Screening for disposition and structural problems.
- ▶ On-site buying assistance and sight-unseen guarantees for absentee buyers.
- ▶ At-home bidding through conference calls, TV broadcasts or internet sales.
- ▶ Marketing assistance for calves sired by purchased bulls.
- ▶ Repeat buyer/volume discounts.
- ▶ Bulls acclimated to specific areas.
- ▶ Free AngusSource® identification (ID) tags for calves sired by purchased bulls.

times his sale so yearlings have completed performance tests that provide up-to-date information. He’s proud of the EPDs for this year’s group of 450 animals: 255 of the sale bulls are below 2.0 for birth weight (BW) EPD; 430 are above 40 lb. for weaning weight (WW) EPD; 445 are above 70 lb. for yearling weight (YW) EPD; 435 are between 15 lb. and 30 lb. for Milk EPD; and 440 are above \$30 for beef value (\$B).

The \$B index includes growth, intramuscular fat (IMF) and ribeye area (REA). A growing number of Connealy’s customers are retaining ownership of their calves through feedlots and are selling on

grids, so this prediction is valuable to them.

In addition to providing performance data for bulls adapted to his area, Connealy also includes a couple of sales incentives. He provides free delivery and installs a 30-line conference call system for customers who can’t attend his sales but want to phone in bids. Above all, the veteran Angus breeder stands behind his bulls.

“If a customer isn’t happy, then I’m not happy. We’ll do what we can to make the situation right,” Connealy says.

CONTINUED ON PAGE 130



PHOTO COURTESY CONNEALY ANGUS RANCH

▶ Bulls acclimated to the Sandhills area attract buyers to Connealy Ranch sales.

Balancing act

A focus on maternal characteristics combined with customer service has become the trademark of Woodhill Farms, owned by Dan and Anne Borgan.

Brian McCulloh manages Woodhill's 250 registered Angus cows on 1,050 acres near Viroqua, Wis. By using embryo transfer with cooperating cow herds, Woodhill Farms has expanded its influence on the Angus breed by marketing 150 or more bulls annually. During the past 25 years, McCulloh has emphasized cattle bred for low birth weight, udder quality, milk production and mothering ability, while

pursuing a level of growth short of compromising maternal traits.

The success of the Woodhill Farms program is reflected in the average EPDs of this year's crop of bulls: BW EPD, 1.8 lb.;



Brian McCulloh

WW EPD, 45.4 lb.; YW EPD, 87.2 lb.; and Milk EPD, 23.8 lb.

In recent years, Woodhill Farms has focused on end product merit. McCulloh has collected carcass data through progeny

testing and uses ultrasound EPDs in breeding decisions. McCulloh's strong selection pressure for maternal characteristics has resulted in a definite Woodhill type — a mid-sized, sound-footed and good-uddered functional cow. McCulloh strives to be a straight shooter with customers, and answers questions openly and honestly.

"I may lose a sale from time to time, but the next time that customer needs a bull, he'll call me first," McCulloh says.

