

# Seeking Top Dollar

New program seeks to identify superior cattle before they leave the ranch, helping producers capture additional value.

by **Greg Henderson**, Beef Today

It's sale day. The gate opens, and the first draft of your calves trots into the ring. You hear the auctioneer announce from the block, "Here they are, boys, a set of reputation calves from ..."

Reputation calves. The description gives you a sense of pride, and your calves sell near the top of the market that day. However, what exactly does "reputation" mean? More importantly, what's it worth?

## Predictable feeder cattle

To an order buyer, the "reputation" description suggests your calves have performed well in the feedlot in the past. Any premium you receive on this year's calf crop, however, remains a leap of faith from the buyer that such performance can be repeated. In short, "reputation" sometimes means very little.

Tom Brink has a vision for a name-brand feeder-cattle program he believes will change the way many cattle are marketed. It will deliver greater premiums back to producers, while matching better genetics with cattle



► Genetic selection for growth and carcass traits routinely produces premiums of \$60-\$100 per head for feeders and packers. Top Dollar Angus will identify those high-value cattle before they leave the farm.

## 35 Keys to Success Marketing Commercial Cattle

feeders that prefer to feed high-end animals. The key to attracting buyer interest and premiums on feeder cattle, he says, is a breeding program centered on high-growth and high-carcass genetics, and he believes most of those cattle have Angus genetics.

In fact, Brink believes so strongly in his vision of branded feeder cattle that he left

a high-profile position in the industry this past year to devote his energies to launching Top Dollar Angus, a third-party genetic certification program for Angus and Angus-based feeder cattle and calves. He is partnering with IMI Global Inc. for the actual certification services part of the business.

As former president and COO of J&F Holdings Inc., the cattle ownership arm of Five Rivers Cattle Feeding, Brink had a box-suite view of the cattle industry and how genetics affect feedyard performance and profitability.

"Cattle that grow fast and grade well create exceptional value and profit potential at all points along the beef supply chain," Brink says. "The concept behind Top Dollar Angus is to identify those cattle before they leave the ranch."

Throughout his career, Brink has witnessed the steady migration of the beef industry away from a commodity mentality toward higher quality and value. Today, for instance, more than 70% of fed cattle are sold through a grid- or formula-pricing system. He says the growth in high-end retail beef brands such as *Certified Angus Beef*® (CAB®) led feeders and packers to focus on genetic traits and management practices that would produce beef for those brands. The Angus breed has led that charge toward quality, he says, making tremendous advances in growth and carcass-value traits.

**Table 1: How to qualify for Top Dollar Angus brand and premium**

|             | Sires       |             |             |             |             | Feeder-calf tested<br>GMX®<br>≥80 |
|-------------|-------------|-------------|-------------|-------------|-------------|-----------------------------------|
|             | Top 15% \$B | Top 25% \$B | Top 25% \$B | Top 15% \$B | Top 15% \$B |                                   |
| Top 50% \$B | \$50        |             |             |             |             |                                   |
| Top 25% \$B |             | \$50        |             |             |             |                                   |
| GMX >75     |             |             | \$50        |             |             |                                   |
| GMX >60-74  |             |             |             | \$50        |             |                                   |
| Angus-based |             |             |             |             | \$30        |                                   |
| Angus-based |             |             |             |             |             | \$50                              |

Producers with Top Dollar Angus feeder cattle may use the brand to market their cattle through any market channel that they choose. However, to earn the additional \$30- to \$50-per-head premium, cattle must be sold to participating feeders and stocker producers.

Approved Angus-based females mated to a top 3% \$B Angus sire will also qualify for the full \$50 per head premium.

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“The top 25% of the Angus population for growth and carcass traits, as captured by the American Angus Association’s \$Beef index (\$B dollar value index), is now capable of creating way-above-average value for cattle feeders and packers,” Brink says.

Indeed, he believes recent genetic advances mean a branded feeder-cattle program is a logical next step in beef industry evolution.

“The top end of the industry’s genetics have progressed so far above average cattle that producers with the best cattle will increasingly seek new ways to differentiate themselves from the pack. Certification is how it will happen, because the beef industry is segmented,” Brink says.

### **Top Dollar Angus**

In August, Brink officially launched the Top Dollar Angus business and is offering details for interested producers. In order to market calves under the Top Dollar Angus brand, producers must qualify all or part of their producing females, then verify that the bulls servicing those females also meet the program’s requirements. The objective is to certify calves that carry performance and carcass characteristics from the Angus breed’s top 25%. Several combinations of sires and females can produce calves that meet the required genetic criteria.

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As an example, females (including  $F_1$  crossbred females) that were sired by Angus bulls in the breed’s top 50% for \$B would need to be mated with Angus bulls that are in the breed’s top 15% for \$B. However, if a herd’s females are sired by Angus bulls that rank in the top 25% for \$B, the bulls they are

mated to need only be in the breed’s top 25% for \$B. GeneMax Focus DNA testing can also be used for qualification.

Participating producers pay an initial herd analysis fee to determine if their cattle qualify for the program. Cattle that do qualify also pay a brand-licensing fee, which allows them to market their cattle as Top Dollar Angus cattle through any marketing channel. Total cost participation on cattle that sell under the Top Dollar Angus brand will be \$6-\$8 per head, which also covers the cost of electronic ID.

Brink says a sizable network of feedyards and stocker operators, representing more than 1 million head of demand, has already been established. Qualifying cattle sold to participating Top Dollar Angus feedyards and stocker operators can earn premiums of approximately \$50 per head above the average market. There is no shortage of people who want more cattle with genetics such as these, he adds.

“Top Dollar Angus fed cattle have historically performed very well on industry grids, often earning \$60 to \$100 or more per head above the live market, regardless of the base price,” Brink says. “Feedyards want



► Tom Brink says branded feeder cattle are a logical next step in beef industry evolution.

more of those cattle, but we have lacked a mechanism that accurately identifies top-end Angus cattle and reliably communicates this identity to the buyer.”

That information void, Brink believes, can be filled by Top Dollar Angus, earning additional premiums for producers in every segment of the production chain.



**Editor’s Note:** Greg Henderson is editor of Beef Today. This article is reprinted with permission from the September issue.