

# **Premium demand**

Commercial cattle producers these days face a seemingly endless array of financial challenges — everything from feed, pasture and equipment to labor expenses are pushing upward. At the same time, higher production costs are being offset by tight inventories and strong prices for cattle.

## Lessons in the data

As the recently released "Here's the Premium" project showed (see page 242), producers of commercial Angus cattle receive an added bonus of record-high premiums paid for Angus calves at auction as compared to non-Angus contemporaries. The evaluation, which is conducted by Certified Angus Beef LLC (CAB), is a big one, including data from 300,000 calves sold in 13,794 lots at 10 markets since 1999.

It points to big-time premiums for Angus calves. Data from nine cooperating auction markets last fall showed the all-time high Angus premium in absolute terms. That was \$5.30 per hundredweight (cwt.) for the combination of 504-pound (lb.) heifers and 511-lb. steers sold in 660 lots.

The lessons of this study — and many others — are simple and straightforward.

First, through the years, Angus cattle have consistently brought premiums in the

marketplace — and one of the easiest ways for commercial producers to add value to their calf crop is to turn out a registered Angus bull. Unlike other breeds, Angus cattle also balance and optimize economic traits that are important to you. The breed is naturally polled, which means no dehorning. The breed possesses excellent maternal traits and calving ease. Angus feeder cattle have long held a reputation for growth and performance in the feedlot, and no other breed consistently delivers higher-quality beef for consumers.

Second, commercial producers realize that it's not all about adding value; it's also about reducing risk. That's where Angus cattle really shine. With the industry's largest and most comprehensive genetic-evaluation system standing behind them, Angus cattle have built-in reliability and predictability. In other words, when you invest in Angus bulls or females, you can use the Association's expected progeny differences (EPDs) and dollar values (\$Values) to make educated decisions about how to shape your cattle and where you want your cow herd to go.

If you need more marbling, the genetics are there. If you need more calving ease, the genetics are there. If you need more growth, the genetics are there.

Third, by investing in Angus genetics, you're also taking an important step in ensuring the resources you devote to production — everything from capital, pasture, equipment and labor — is pointed to delivering the highest-quality products for consumers. In spite of the economic recession, consumer demand for the *Certified Angus Beef*® (CAB®) brand continues at record-setting levels. In fact, since the mid-2000s, consumer demand for CAB has outpaced demand for commodity Choice, an indication that our customers are wanting a great eating experience.

### **Unprecedented opportunities**

So, as you begin making your breeding decisions this spring, look no further than Angus. As an Association, we're prepared to work with you to help identify the genetics that will work best in your program. Plus, as a service-oriented organization, we are positioned like few others to help drive value back to your farm or ranch — and reduce risk for your business as we move into uncertain times and unprecedented opportunities.

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