

# Realistic Quest for Ideal

Beef cattle specialist gives tips to reach the ideal steer target.

by **Steve Suther**, Certified Angus Beef LLC



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**A**n ideal beef steer is one you can profitably produce again and again to earn premiums on a value-based grid. That's the premise Paul Dykstra used in presenting "How to build the perfect steer" at the Angus Means Business National Convention & Trade Show Nov. 2-4 in Overland Park, Kan.

Dykstra has worked with feedlots as a beef cattle specialist for the *Certified Angus Beef*® (CAB®) brand for the past 13 years, managed the USDA Meat Animal Research Center's feedlot before that, and has a current interest in a commercial cow herd in western Nebraska.

"I really believe we can do this," he said, noting the need for performance "on the hoof, on the rail and on the plate."

People may differ on ideal production strategies for that ideal steer, Dykstra said. Some insist that focus on the feedlot can only come from terminal breeding programs, while others insist the steer must come from a system that also produces replacement heifers.

"We'll cross back and forth over that line as we look less at how, and more at what we

need for a mainstream target like the *Certified Angus Beef* brand," he said.

The feedlot pen rider knows what the industry does not need. Dykstra told the conference crowd, "You do not want him to become familiar with your cattle."

Although "diversity is alive and well" at commercial feedlots, greater uniformity among penmates must be an overall goal. Nobody produces just one perfect steer at a time, but rather a group of contemporaries, he said.

Dykstra referred to data from Professional Cattle Consultants showing average feed conversion for all steers in 2015 at 6.2 pounds (lb.) of feed to produce a pound of beef.

"I'm more familiar with ranch-direct or calf-fed steers, where we should target a feed conversion ratio of 5.6 [and 6.4 on the yearlings]. Moving up from 6.2 to 5.6 means \$56 less feed cost over the finishing period," he said.

"By comparison, average daily gain

(ADG) is less important and only moves about \$10 or \$15 going from average to ideal," Dykstra said. That's despite lofty targets such as 5 pounds (lb.) per day for yearlings and 3.8 lb. for calf-feds, compared to the 3.2-lb. average.

Why would ideal ADG not pay more? Because any impact comes from timing, along with accrued yardage and interest, he explained. Of course, timing can make a lot of difference when a seasonal market high is involved. Overall, "a window of optimization is appropriate for daily gain," Dykstra said.

## Earning those premiums

Accessing rewards for producing the perfect steer means selling on a packer grid, Dykstra said, explaining the basics of premiums, discounts and plant averages, showing an example.

"We ended a long-term trend of nearly flat quality-grade makeup in 2007 to where quality grades have really taken off, coinciding with a move to camera grading and feeding to heavier weights," he said (see Fig. 1 and Table 1).

Some may see a downside to the U.S. fed-cattle average grade moving from 60%



**You can listen to Paul Dykstra's presentation at <http://bit.ly/106rdaN>.**

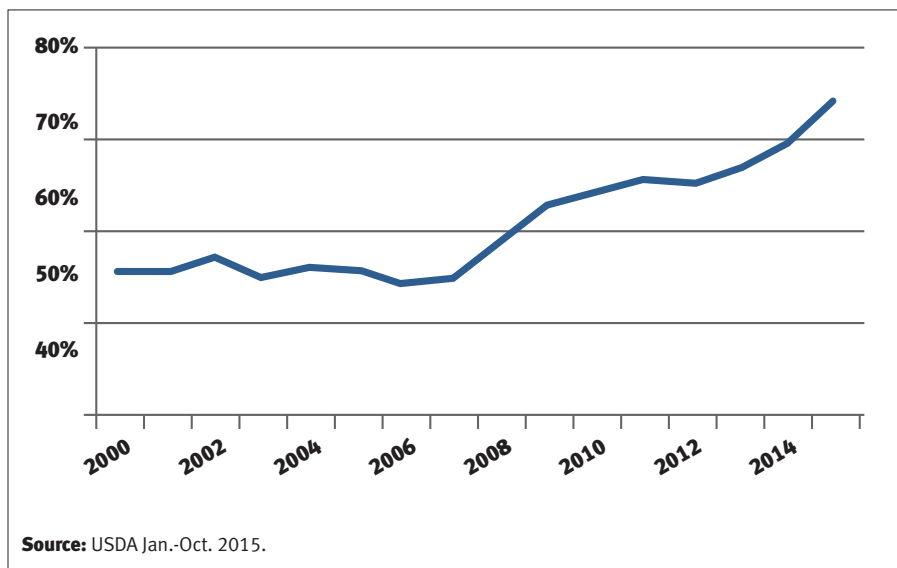
**Table 1: 2015 quality grade average — fed cattle**

Prime	4.9%
Choice	69.35%
Select	20.69%
Other	5.22%

**Table 2: Qualifications of the perfect steer**

Quality grade	Prime
Yield grade	2.9
Dressing %	64.5%
Carcass weight	900 lb.
Feed conversion	5.6 to 1
Average daily gain	3.8 lb.

**Fig. 1: % Choice and Prime carcasses — U.S. fed cattle**



Choice to 70% in the last eight years: Grids reward above-average quality, and that bar has moved up.

“Granted, there may be \$7 per head less premium there, but that’s no deal breaker,” Dykstra said. “It’s almost negligible. We should bank the \$20 for making Choice and move right on to grab the \$54 on most of the cattle in that ideal pen earning the CAB premium, and even \$140 for those making Prime.

“Depending on your production system, Prime may not be the most realistic target as it is less than 5% of the mix currently,” he said, “but if you want to aim for Prime, you have the right breed. And for the ideal steer, Prime cannot be denied.”

A perfect pen of steers, featuring 100% Choice, 60% CAB and 20% CAB Prime, would earn \$68.62 per head in quality premiums in the example grid, but that’s not the complete picture.

Yield grade (YG) is a grid component that addresses the importance of muscling, with relatively small premiums paid for the numerically leaner 1s and 2s and 3s at par value, and significant discounts for 4s and 5s, Dykstra explained.

YG 1 is not the target, however, and the ideal pen would turn out just 3% at the leanest level, with 44% YG 2 and 45% YG 3 while allowing 8% YG 4s, to earn \$15.95-per-head average premiums (\$21.80 per head if all YG 4s were kept on the YG 3 side of the line). Remember, these premiums are on top of the larger quality-grid total.

Aiming for Prime without adequate



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genetic potential or coordinated management often leads to YG discounts, typically because the ribeye is too small. A 900-lb. carcass requires a 14.2-inch ribeye for a near-ideal YG 2.5.

Dressing percent also relates to ribeye and muscling, often with more impact on the grid price than YG variations. While the industry

average is 63.5%, Dykstra said a full percentage-point increase to 64.5% is a target that would add \$33 per carcass.

Summing up requirements and targets, he concluded that the ideal steer carcass is a 900-lb. Prime CAB, YG 2.9 with that 64.5% dress, after live feed-to-gain conversion at 5.6 and gaining 3.8 lb. per day as a calf-fed (see Table 2).

Once considered lacking in efficiency, Angus feeders now offer some of the best conversion rates in the industry, he added.

“No matter where you are or what your goals or production system may be, the Angus breed has the diversity and the bulls to get there,” Dykstra said.

Dykstra spoke during Angus University’s educational block focused on 21st Century Cattle Production. The educational series was sponsored by Merck Animal Health. To listen to his presentation and to view the session’s PowerPoint, visit the convention Newsroom at <http://angusjournal.com/NCnTS/2015/index.html>.



**Editor’s Note:** Steve Suther is director of industry information for Certified Angus Beef LLC. This article is part of the online coverage of the Angus Means Business National Convention & Trade Show provided by Angus Media. Visit the convention Newsroom available at <http://angusjournal.com/NCnTS/2015/index.html> to access additional summaries, PowerPoint presentations and the audio of the sessions.