



Outside the Box

► by **Tom Field**, professor of animal science, Colorado State University

Are we merchants of bulls or solutions?

How do you view the product you sell? Marketing experts suggest that merchants should be able to describe their product or service in a brief, descriptive phrase that provides clear differentiation. Consider Sidney Harman's description of his organization's product: "Lexus sells its cars as containers for our sound systems. It's marvelous." It is clear that Harman believes his product is something special — something valuable.

Understand your customers

In the upcoming yearling bull sale season, a majority of commercial cattlemen will pay between \$2,000 and \$3,000 for unproven sires. It would be fair to ask, "What do you get for this investment — a bull or a solution?"

If being the provider of solutions to customers is important, then one of the first steps is to fully understand commercial producers' needs, limitations and goals. While this step seems straightforward, it is difficult to achieve. The difficulty lies in the

lack of information flow between the commercial sector and the seedstock business.

While casual conversation provides a framework in which to help customers select appropriate sires, the accumulation and sharing of specific information relative to breeding objectives, marketing goals, reproductive performance, feed resources, growth rate and a host of other traits is fundamental to good sire selection.

At the Angus Foundation-sponsored

Cattlemen's Boot Camp, hosted October 2005 at Colorado State University (CSU) in Fort Collins, Colo., seedstock producers and commercial cattlemen were asked to rank a number of beef cattle traits in order of importance to their own operation's profitability, and then to rank the same traits in the order of importance for their most immediate client (See Table 1).

While this data needs to be interpreted in the context of the makeup of conference attendees and the fact that most of them conduct business in the Intermountain West, it does provide a framework in which to initiate the first steps to determining what customers want. Note that the seedstock producers in attendance were relatively accurate in their assessment of what commercial operators desired. The only significant discrepancy was that the commercial industry respondents ranked temperament as the fifth most critical trait, while seedstock respondents ranked it tenth.

Meaningful finances

The next step in determining the optimal genetic combinations for a cow-calf customer is to understand the enterprise's financial performance, as well as the environmental and feed resources available.

To get a broad view, the Standardized Performance Analysis (SPA) data summaries published across most regions of the United States should be evaluated. The data tells us that weaning weight as a stand-alone trait is neutral to profitability. In other words, there are profitable cow-calf enterprises with high weaning weights and other profitable producers with below-average weaning weights.

A more useful performance measure is pounds of calf weaned per cow exposed. This is a better indicator because it effectively combines growth and reproductive trait information.

However, to get to a meaningful measure of profitability, the cost of production on a per-cow basis must be determined. Analysis of SPA data across regions points out that the most profitable producers have the ability to sustain above-average weaning weight per cow exposed while holding cost of production, particularly feed costs, at below-

Table 1: Traits of perceived importance relative to commercial cattlemen's profitability

Trait	Ranking by producer type	
	Seedstock producers	Commercial producers
Calving ease	2	1
Birth weight	3	4
Weaning weight	1	2
Milk production	5/6	3
Cow longevity	9	7
Age at first pregnancy	14	14
Temperament	10	5
Scrotal circumference	12/13	13
Mature size	11	11
Feedlot average daily gain	7	8
Feed efficiency	4	6
Backfat	12/13	12
Marbling	5/6	9
Ribeye area	9	10

Source: Cattlemen's Boot Camp survey, Fort Collins, Colo., October 2005.

average levels. Managing feed costs requires the careful matching of cow requirements with available, least-cost feed supplies.

The two traits that have the greatest effect on cow herd nutritional requirements are milk production and mature size. The more limited the feed resource, and/or the higher the risk of drought, the less milk production and mature size can be maintained without the need for purchased feed supplementation to avoid losses in reproductive performance. The need for acceptable offspring growth rates, offset by matching mature size and milk production to available resource levels, creates a difficult challenge in balancing these competing interests.

Balancing act

Clearly, the traits that affect profitability and performance in the feedlot, packing,

retail and foodservice sectors need to be considered, but the foundation of the commercial producer's success lies in the ability to balance costs, reproductive performance, growth rate, milk production and mature size. Unfortunately, the entire process is complicated by the reality that no two commercial cow-calf enterprises are exactly alike. Thus, it is impossible to create a "one-size-fits-all" genetic package.

In the end, successful seedstock producers are good listeners who take seriously the quest to understand their customers' needs and limitations. The seedstock providers who will thrive in the beef cattle industry of the future will be information-driven, customer-oriented and focused on the creation of solutions — not bulls.



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Editor's Note: Tom Field is a professor at the CSU Department of Animal Sciences, where he is responsible for the seedstock cattle breeding program of the university teaching herd, composed of Angus and Hereford cattle. He directs the Seedstock Merchandising Team and teaches Food Animal Sciences, Beef Production and Family Ranching. He is a contributor to the research efforts of the CSU Beef-Tec program. A frequent speaker at beef cattle events in the United States and internationally, Field is also a partner in his family's commercial cow-calf enterprise, which uses Angus as an important genetic component.