

Survey Says ...

CAB, *Drovers* survey benchmarks producer practices, opinions.

by Steve Suther

The future of premium beef brands depends largely upon supplies of cattle that qualify. The supply development division of Certified Angus Beef LLC (CAB) uses information, marketing and coordinated production systems to grow its supply. In a world where disjointed management often derails what could have been high-quality beef, it helps to know prevailing practices, genetics and philosophies.

That's why CAB partnered with *Drovers*, through Vance Research Services, to survey the U.S. cow-calf industry. Of 1,000 randomly selected, qualified producers with at least 100 cows, 45% responded in a three-week window last winter. The average operator was 58 years old, college-educated and managed 300 cows in the Midwest.

First, let's look at some facts that are friendly to high-quality beef production.

Survey says ...

Nearly all (94%) of those surveyed use a blackleg vaccine, and 85% vaccinate for bovine respiratory disease (BRD). About

half of them (47%) wean calves at least 45 days before sale, and 57% don't use a growth implant.

Approximately 80% have an English-based cow herd. While 65% of the total say their cows are Angus-based, 8% name Hereford, and 5% have Red Angus. Brahman influence and composite breeds each account for 6% of the total, while any Continental-based herds are part of the 10% "other" category.

Virtually all producers report having purchased some English-breed bulls in the past three years, and 73% of those were Angus, with 10% Red Angus and 14% Hereford. Looking at intentions for the next three years, 88% planned to buy English-breed bulls, including 60% specifying Angus.

The *Certified Angus Beef*® (CAB®) brand is by far the highest-rated product target associated with high-dollar returns to producers (75% CAB compared to 28% Certified Hereford Beef and 20% Laura's Lean). Those who gather postweaning information on calves are even more likely (82%) to rate CAB highest in dollar returns.

Nearly 80% of the producers have modified their facilities to implement low-stress handling procedures, although fewer than half say they have implemented Beef Quality Assurance (BQA) guidelines. And if they have not made these adjustments to foster better beef quality, most of them do not intend to do so anytime soon.

Only 39% say they coordinate health and management with a buyer or custom feeder (usually a buyer), and 68% have never sold cattle on a value-based grid. Again, most who have not made these changes do not plan to do so in the next three years.

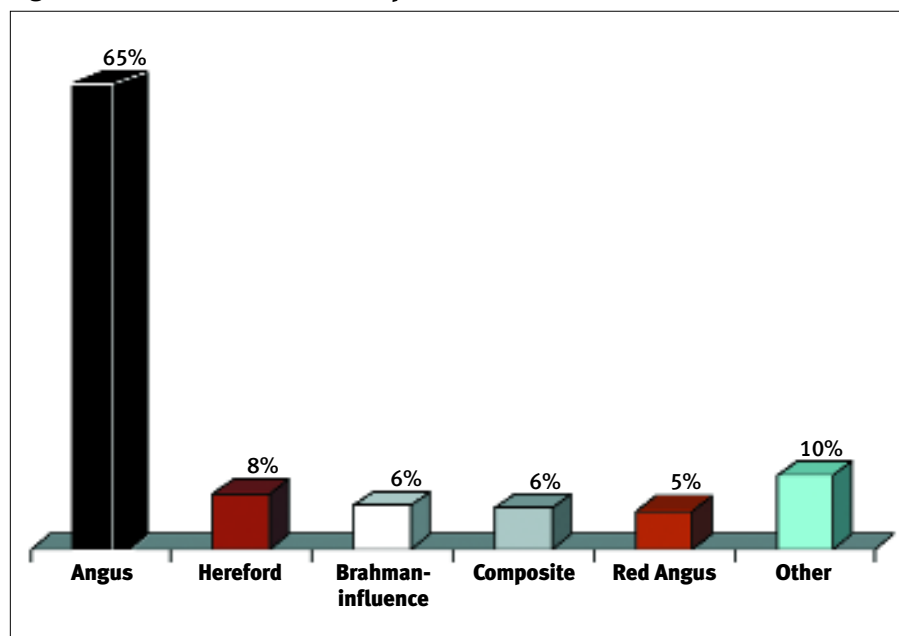
Producers say their herds are mostly (41%) crossbred by rotation, composite or purebred (21% each), with 9% mixed or unknown genetics. Across all herd types, 74% do not gather information on feedlot performance or carcass value. Larger-scale producers (250+ head) and those with purebred cattle are more likely to keep track of these values.

Those who do not gather postweaning data say they are unable to find cooperators (30%) or they do not value the information (22%). Cost is the top reason in only 7% of cases. Interestingly, 25% wrote in "other" responses that ranged from the logical "unaware of new owners" to the self-critical "just behind the times" to justifying "as long as they're happy, I am."

Average daily gain (ADG), calf health and feed efficiency are considered the three top components of feedlot performance, named by 55% to 60% of respondents. Quality grade is next at 36%.

Those who maintain business relationships are most likely to have them with auction markets (61%), buyers (50%), seedstock producers (33%) and feedlots (31%). When ranking important business partner traits, it's clear that the human element surpasses facilities and, in some cases, even profitability. In choosing a custom feedlot, fully half of the producers responding say communication is the most important. Closely related to communication style, "personality" comes in second at 32%, followed by modern facilities at 24%. Two other factors that

Fig. 1: Dominant breed of cows in producers' herds*



*Other breeds include Longhorn, Limousin, Red Devon, Salers and Santa Gertrudis.

relate to the first two — personal visits and quick response to messages — rounded out the criteria.

Two out of three producers do not use artificial insemination (AI) in their herds, although very large-scale producers (500+ cows) are more likely to use AI (44%) than small-scale producers (12% for <100 cows).

Potential carcass value of calves is said to be more important now (63%) than three years ago, but the larger the operation, the more firmly this conviction is held. Past surveys indicate that producers are well-aware of carcass value as a leading trait.

In comparison to other surveys, questions are not exactly the same, but some trends may be seen. In the *Drovers* 2001 quality survey of 1,000 producers, 82% saw the need to place more emphasis on carcass traits, but that was down from 90% in its 1997 survey.

Rather than signaling a decline in concern for quality, these results could simply mean an increasing number of producers believe the industry is placing the right amount of emphasis on carcass traits. About 43% of the cow-calf producers in the *Drovers* 2001 survey used AI to some degree.

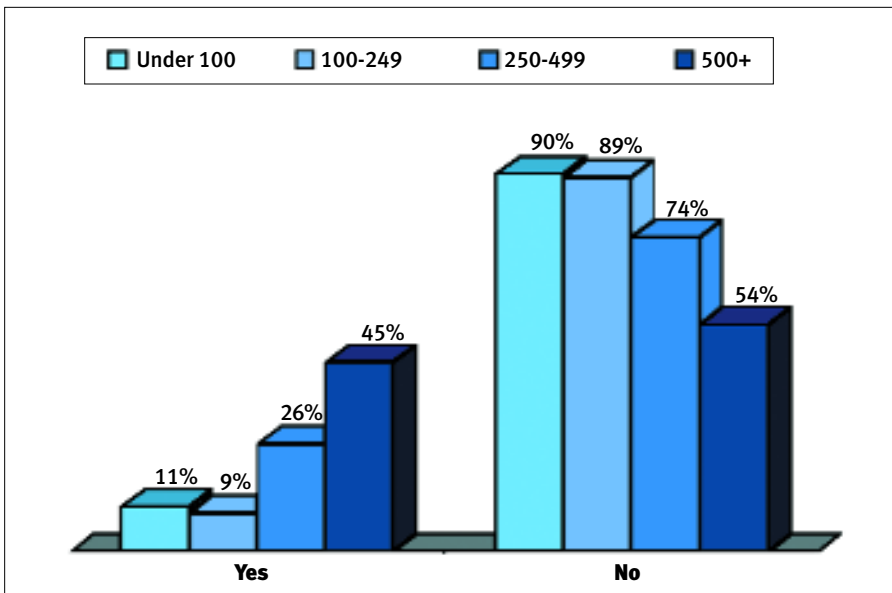
In the recent Cattle-Fax cow-calf and stocker survey of 1,000 members, who managed an average of 586 cows, 37% use AI (compared to 44% with that size herd in

the CAB/*Drovers* survey). Slightly fewer of the Cattle-Fax respondents sold weaned calves (44% vs. 47% weaned at least 45 days in this survey) and 62% said their herds were primarily English-based, with only 2% Continental-based. While 94% of

producers in the CAB/*Drovers* survey used at least one vaccine on the ranch, 84% of those in the Cattle-Fax survey said they “preconditioned” their calves last year, up from 62% in 2002.

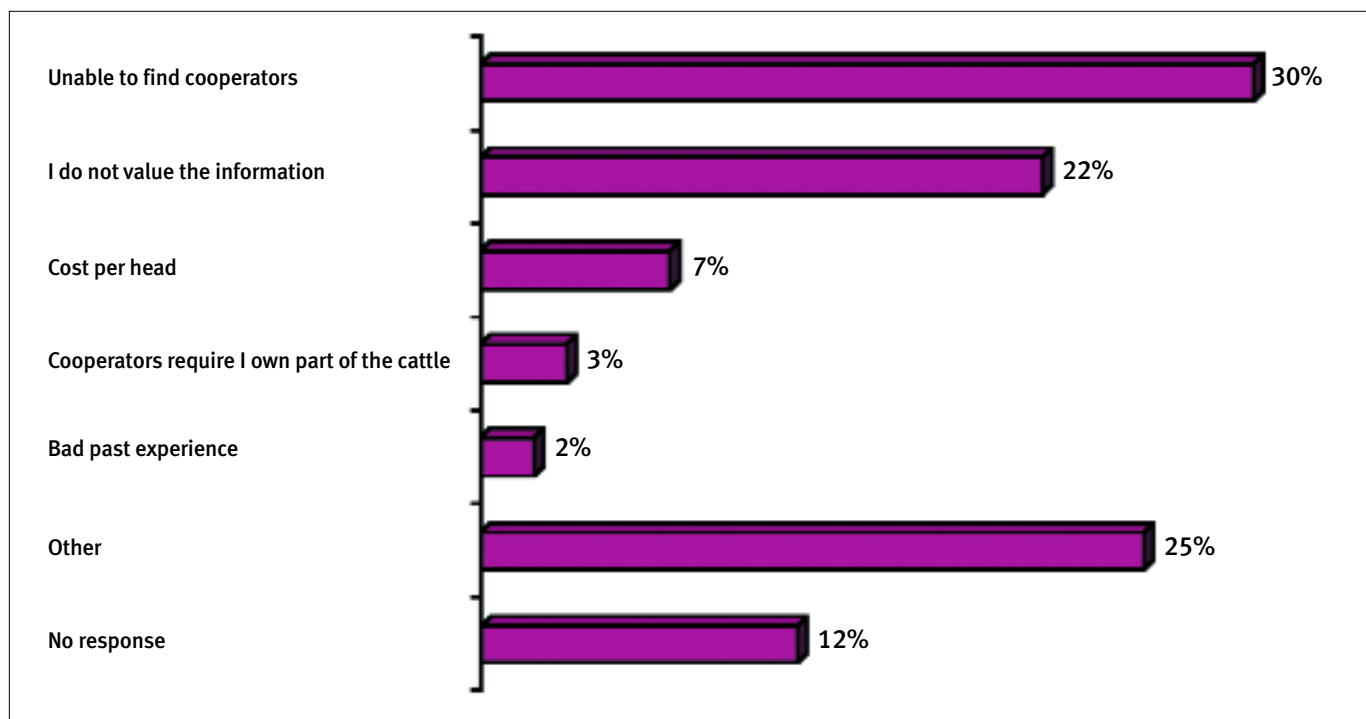


Fig. 2: Percentage of producers who do (yes) or don't (no) gather postweaning feedlot performance, by herd size*



*Producers with 250 cows or more are significantly more likely than all other herd sizes to gather postweaning information.

Fig. 3: Reasons for not gathering postweaning feedlot performance data*



*Some of the “other” reasons listed by producers for not gathering postweaning data include: “have not thought to ask,” “don’t have enough time,” “not available” and “not informed.”