

ANGUS CALVES EARN PREMIUMS AT AUCTION

Profit Tip

Calves known to be of Angus genetics doubled their price advantage over similar 500-pound non-Angus calves in a 14-year study, for a 2012 premium of \$5.30 per hundredweight (/cwt.) The trend is backed by a 13-year analysis of Superior Livestock Auction video sales from 2000 through 2012. This Angus calf-price advantage comes from the growing premiums for finished cattle accepted for the *Certified Angus Beef*® (CAB®) brand. Producers can sell high-quality Angus calves at any point in the production stage and be more profitable.

The Facts

- Record premiums during Here's the Premium (HTP) study: 504-pound (lb.) Angus heifers = \$4.40 per hundredweight (/cwt.) premium, fall 2012
508-lb. Angus steers = \$6.79/cwt. premium, fall 2008
507-lb. Angus steers/heifers combined = \$5.30/cwt. premium, fall 2012
- The 1999 base for Angus premiums for heifers was a \$2.19/cwt., and \$2.74/cwt. for steers
- Angus steer premiums per head increased from \$21.21 in 1999-05 to \$31.40 in 2006-12
- Superior Livestock Auction video sale data shows Angus calves commanded a premium of \$4.40/cwt. over the Hereford base in 2012.
 - In 12 of 13 years, the breed category with the highest premium was "Primarily Angus."
 - In 2011, a narrow edge went to the Angus-influenced "black and black whiteface" calves.
- Packers have paid Angus producers more than \$350 million in premiums since 1998, lately more than \$25 million per year.

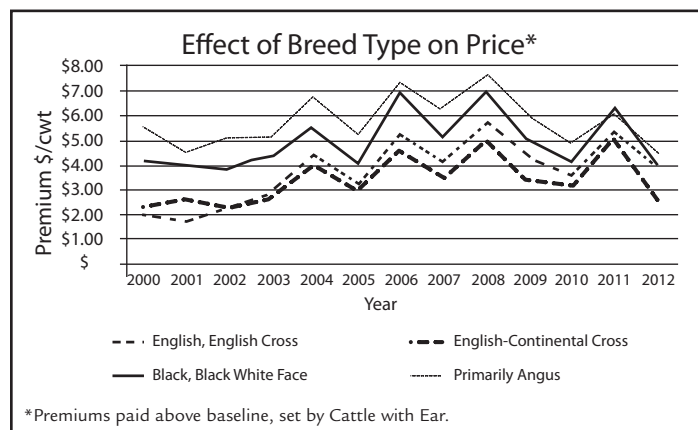
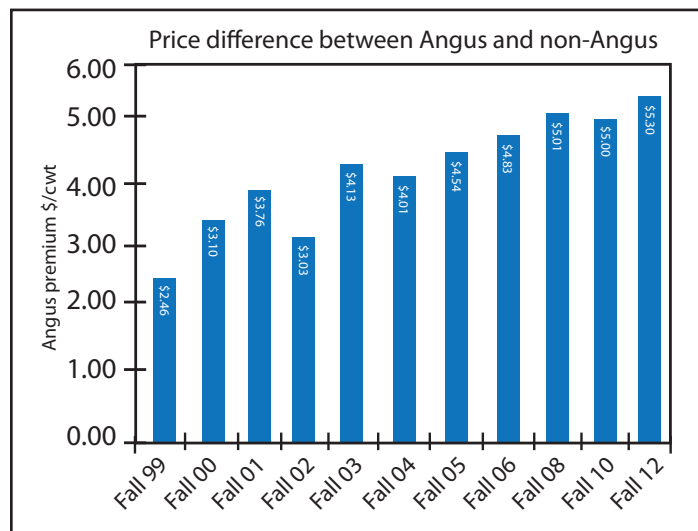
High-percentage Angus steers are worth \$32/head more than non-Angus steers at auction.

Materials & Methods

- Cooperating livestock auction markets in the HTP study are located in California, Colorado, Kansas, Kentucky, Missouri, Montana, Nebraska, Oklahoma, South Dakota and Wyoming.
- Participating sale managers report prices of known Angus vs. non-Angus by sex, keeping non-breed factors constant.
- Local auctions report at least five groups of at least five head each, averaging 500 lb.
- HTP data includes records on 300,050 cattle in 13,794 lots from 10 sale states starting in 1999.
- Superior Livestock Auction data represents nearly 4.9 million cattle in 40,799 lots from 2000-2012.
- CAB-licensed packers cooperate in a biannual survey of paid grid premiums.

Action Points

- Make sure the sale manager identifies your calves as Angus, not just "blacks."
- Specific management will only pay if you let it be known. Consider putting together a half-page description of your sale cattle with copies of all supporting documents at sale time.
- The AngusSource® Genetics program provides a system to track genetics and management practices. Plus, it gives you the marketing benefit of sending potential buyers information about your calves, once you determine a sale location and date.



Acknowledgements

Data Sources: Superior Livestock Auction, and Certified Angus Beef LLC.



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Questions?

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