

ANGUS GENETICS GROW PROFIT POTENTIAL

The Bottom Line

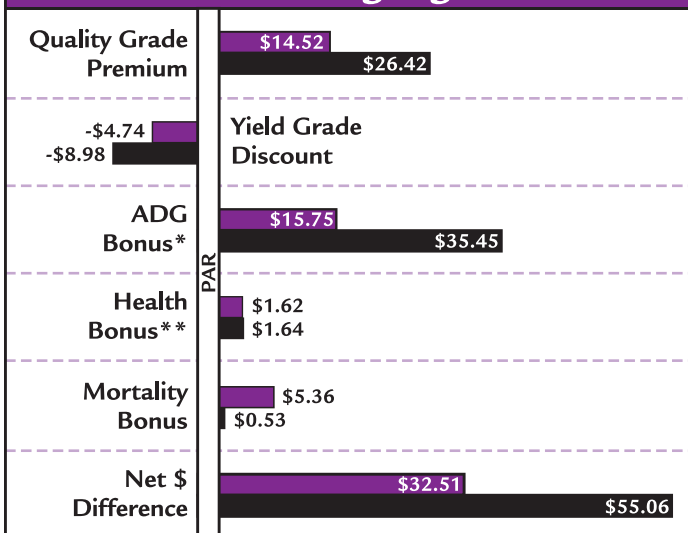
Profit potential is directly affected by genetic composition of calves. While some crossbreds deliver part of the package, the bottom line is that Angus cattle gain and grade. Producers use more Angus genetics from cowherd to feedlot for many reasons, including more than \$350 million that packers have paid in *Certified Angus Beef*® grid premiums since 1998.

Influence of percent Angus genetics on carcass traits and feedlot performance

	Percentage Angus			% Change*
	0 to 25 (low)	26 to 75	76 to 100 (high)	
Head Count	9,712	17,266	13,980	
Prime, %	0.3	0.8	2.2	633.3
Premium Choice, %	7.4	13.9	23.6	218.9
Low Choice, %	44.0	54.2	56.3	28.0
Select, %	43.3	29.4	17.2	-60.3
Standard, %	5.0	1.7	0.7	-86.0
Yield Grade 1 & 2, %	75.9	59.3	44.0	-42.0
Yield Grade 3, %	22.8	38.4	52.0	128.1
Yield Grade 4 & 5, %	1.3	2.3	4.0	207.7
ADG, lb.	3.13	3.21	3.31	5.8
Morbidity Rate, %	22.3	16.5	17.0	-23.8
Mortality Rate, %	1.67	1.30	1.62	-3.0

*Percent change between the lowest and highest percent Angus groups.

Net effect in per-head dollars returned with more Angus genetics



Percent Angus: 0-25 is represented by PAR ■ 26 to 75 ■ 76 to 100

*Based on the pounds of additional carcass weight gained during the feeding period.

**Based on a reduction in medicine, labor and chute/equipment charges.

ACKNOWLEDGEMENTS

Data Source: Iowa Tri-County Steer Carcass Futurity.

Summary Facts

- High percent Angus cattle returned \$55.06/head more than low percent Angus cattle.
- Feedlot ADG improved as percent Angus increased, adding \$35.45/head to the bottom line.
- Net carcass merit premiums were \$17.44/head higher for high percent Angus cattle compared to low percent Angus cattle.
- High percent Angus cattle lost \$8.98/head due to yield grade discounts but returned \$26.42/head due to superior quality grade, compared to low percent Angus cattle.
- Angus genetics increase percent Prime by seven-fold, Premium Choice by three-fold, and Low Choice by 28% while decreasing Select and Standard by 60% and 86%, respectively, when compared to low percent Angus cattle.
- *Certified Angus Beef*® acceptance increased from 7.7% to 25.8% when comparing between low and high percent Angus cattle.
- Morbidity, primarily caused by bovine respiratory disease (BRD), was 23.8% lower among high percent Angus cattle and increased dollars returned by \$1.64/head (i.e. difference in treatment costs) when compared to low percent Angus cattle.
- Mortality was 3% lower among high percent Angus cattle when compared to low percent Angus cattle.

Materials & Methods

- Data represents 40,958 calves from 14 states fed at 21 Iowa feedlots during 2002-2011.
- Percentage Angus was determined on each individual calf based on documented sire and dam breed descriptions.
- Vaccination, implant and nutritional programs were consistent across participating feedlots.
- Calves were harvested when visually evaluated to have 0.4 inch of external fat.
- Dollar amounts were based on applying an example grid* to the 2010-2011 average weekly grid values for Kansas and Texas.

*Example grid can be found at www.CABpartners.com/marketing/CABexamplegrid.pdf



The brand that pays®

Visit www.CABpartners.com for more information affecting your bottom line.

Questions?

Contact Steve Suther at 877-241-0717 or ssuther@certifiedangusbeef.com
©2012 Certified Angus Beef LLC. All rights reserved.