

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 include more Angus genetics from cowherd to feedlot for many reasons, not the least being the nearly \$200 million in *Certified Angus Beef*® premiums packers have paid since 1998. New evidence says those cattle make money at every link in the production chain. Granted, Angus do not always excel in Yield Grade, but Quality Grade and performance easily made up for it in this dataset.

High percent Angus cattle returned \$68 per head more than low percent Angus cattle due to carcass and performance advantages.

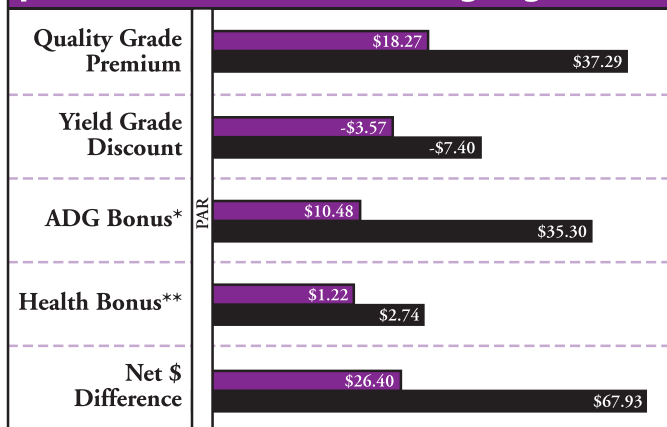


Influence of percent Angus genetics on carcass traits and feedlot performance.

	Percentage Angus			% Change*
	0 to 25 (low)	26 to 75	76 to 100 (high)	
# of Head	2,925	3,673	3,295	
Prime, %	0.4	1.0	3.1	+675.0
Premium Choice, %	9.7	19.4	34.3	+253.6
Low Choice, %	46.0	52.2	50.2	+9.1
Select, %	38.3	25.0	11.7	-69.5
Standard, %	5.6	2.4	0.8	-85.7
Yield Grade 1 & 2, %	75.9	29.0	44.7	-41.1
Yield Grade 3, %	23.1	39.5	52.3	+126.4
Yield Grade 4 & 5, %	1.0	1.5	3.0	+200.0
ADG, lbs.	3.05	3.12	3.29	+7.9
Morbidity Rate, %	24.2	17.8	14.1	-41.7

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

Comparison of the net increase in dollars per-head returned due to Angus genetics.



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

*Based on the lbs 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. Grid values reported by Grid-Max, a service of Cattle-Fax.



The brand that pays.™

Summary Facts

- High percent Angus cattle returned \$67.93/head more than low percent Angus cattle.
- Feedlot ADG improved as percent Angus increased, adding \$35.30/head to the bottom line.
- Net carcass merit premiums were \$29.89/head higher for high percent Angus cattle compared to low percent Angus cattle.
- High percent Angus cattle lost \$7.40/head due to yield grade discounts, but returned \$37.29/head due to superior quality grade, compared to low percent Angus cattle.
- Angus genetics increased percent Prime by six fold, Premium Choice by two fold, and Low Choice by 9.1% and decreased Select and Standard by 70% and 86%, respectively, when compared to low percent Angus cattle.
- Percent *Certified Angus Beef*® acceptance increased from 11.4% to 37.1% when comparing between low and high percent Angus cattle.
- Morbidity, primarily caused by bovine respiratory disease (BRD), was 41.7% lower among high percent Angus cattle and increased dollars returned by \$2.74/head (i.e. difference in treatment costs).

Materials & Methods

- Data represents 9,893 calves from 12 states fed at eight Iowa feedlots during 2002-04.
- 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 the 2003-04 average weekly grid values for Kansas and Texas.

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Questions?

Call Steve Suther at 877/241-0717.

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