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Executive Office

206 Riffel Rd.

Wooster, OH

44691-8588

Phone: 330/345-2333

Fax: 330/345-0808



Manhattan Office

1107 Hylton Heights Rd.

Manhattan, KS

66502-2822

Phone: 785/539-0123

Fax: 785/539-2883

Japan Office

Japan Business Center

WBG Marive East 14F

Nakase 2-6 Mihama-ku

Chiba-shi, Chiba 261-7114

Japan

Ph.: 011/81-43-297-3363

Fax: 011/81-43-297-3374

www.

certifiedangusbeef

.com

Contact:

Miranda Reiman, Industry Information Specialist
(785) 539-0123, MReiman@certifiedangusbeef.com

Photos available at http://www.cabpartners.com/news/photos/FQF_photos/mccully_mark_mug.JPG
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Quality, efficiency work together

New rules for high-stakes beef industry

Producers can select cattle for carcass quality and feed efficiency at the same time. That's the good news shared by Mark McCully, Certified Angus Beef LLC (CAB) supply development director, at a recent CAB seminar series.

The Feeding Quality Forums last fall in Garden City, Kan., and South Sioux City, Neb., were cosponsored by CAB, *Feedlot* magazine, Pfizer Animal Health and Purina Mills.

"Quality grade and feed efficiency aren't genetically correlated," McCully said. "That's pretty exciting because it's not an either/or situation. You can select for both."

The excitement is about not having to choose between two traits that each play a big role in profit.

Quality grade offers premiums not only in the Choice-Select spread but also between Choice and CAB qualifying cattle. According to the National Beef Quality Audit, the industry is losing \$27 per head, simply because it continues to fall short of the quality mix end users wants.

"That \$27 quantifies the value you're missing, from a quality standpoint," McCully said. "From a brand standpoint, the limitation of our growth has been supply, and failure to meet the marbling specification is the most common reason cattle don't qualify."

The profit potential in higher quality has increased in recent years of higher Choice-Select and Choice-CAB spreads.

But quality isn't the only trait affected by current market conditions. With high corn prices, the cost of a pound of gain is up. That makes feed efficiency more important.

"When you plug in the numbers with \$4.20 versus \$2-a-bushel corn, it amplifies the difference in value between the top third of cattle and the bottom third," McCully said. The top cattle used to be worth \$39 more per head than the bottom third, he noted, but now their value advantage has doubled, to \$78.

So, what is the difference between top and bottom cattle in the feedlot?

“Obviously, if you’re managing them all the same, genetics has an awful lot to do with it,” McCully said.

Marbling is a highly heritable trait, with 40% based on genetics.

“It’s pretty well accepted that Angus cattle typically have that genetic ability to marble better than other breeds,” McCully said. “The bottom line is, as you stack the percent Angus, you get a lot more Prime and high Choice cattle. You also see a lot fewer Standards.”

McCully reminded attendees that there is a difference between Angus cattle and all black cattle: “The marbling benefit comes with the Angus genetics, not the black hide color.”

While there is less data on feed efficiency, it shows differences based on breed and biological type. Feed efficiency is positively correlated with post-weaning gain and average daily gain (ADG), two traits that Angus cattle have greatly advanced over the past 15 years.

However, there is no correlation between marbling and feed efficiency.

“They aren’t mutually exclusive traits, and that’s a positive thing,” McCully said. “Producers can select for both.”

This is especially important considering current market conditions.

“With corn price up and the high Choice-Select spreads, genetics are more correlated to profitability than before,” McCully said. “As a feeding industry, we need to realize that and plug it more into our equations more than we have been.”

He reminded producers that genetic selection for quality and feed efficiency is not enough. “Genetics must be combined with good management and marketing to reach their full profit potential,” McCully said.

Online copies of the event presentation can be found at http://www.cabpartners.com/events/past_events/index.php.

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