



Quality TimeTM

Quality news and features for farm broadcasters from Certified Angus Beef LLC
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Here's the Premium

If you raise calves, you've heard about the premiums for marketing them a certain way or following specific health protocols. But does breed type make a difference, and is there a premium for calves at weaning? Research says yes, according to Larry Corah vice president of the Certified Angus Beef Program.

Q. Larry, thanks for joining us. I understand that you've been conducting a survey of auction markets across the United States. Could you tell me a little bit about that study called, "Here's the Premium?"

Actuality, Corah (:15): The question our company had fairly frequently was, "Where's the premium for the producer?" We wanted to start documenting, at the salebarn level, what impact was the Certified Angus Beef program having on the value of calves? And so that was our goal when we started out, nearly nine years ago.

(LINK: http://www.cabpartners.com/news/radio/corah_htp_qtif2_12_1.mp3)

Q: "...nine years ago."

So, after nearly a decade, what does the information tell you?

Actuality, Corah (:10): During that period of time, we've collected data on over a quarter of a million head of cattle and we found there's about a \$28 to \$30 economic advantage to calves that are a very high percentage Angus.

(LINK: http://www.cabpartners.com/news/radio/corah_htp_qtif2_12_2.mp3)

Q: "...high percentage Angus."

That sounds like a pretty significant premium. In terms of dollars per hundredweight, has it been steadily rising?

Actuality, Corah (:18): Very definitely. The trend line has really increased. We started out with the \$1.50 to \$2.50-type premiums and now we're looking at premiums that are in the \$4 to \$5 per hundredweight range. So when you take that times five- and six-weight calves, you come up with nearly \$30/head premiums on typical calves going through the salebarn.

(LINK: http://www.cabpartners.com/news/radio/corah_htp_qtif2_12_3.mp3)

Q: "...through the salebarn."

That per head advantage can really add up on a trailer load. So, what's the take-home point, or how can cattlemen respond to this study?

Actuality, Corah (:16): I think the message is very clear that there's economic value in looking at a target market and the premium market out here in terms of selling a high quality product. There are economic returns that the cow-calf producer can benefit from by hitting that target.

(LINK: http://www.cabpartners.com/news/radio/corah_htp_qtif2_12_4.mp3)

Q:...hitting that target.”

So according to this salebarn study, even producers who sell at weaning can get their share of the premium pie. That again was Larry Corah with C-A-B.

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