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<http://www.cabpartners.com/news/photos/Sexten-Speaking.jpg>

Feeding Quality Forum

## Differences under the hide

By Nicole Lane Erceg

No matter how good the ration, skills and environment, it's impossible to manage out bad genetics in the feedyard. To get cattle that consistently perform there and bring added premiums when sold on a grid, it's best to select feeder calves with known genetic potential.

That's the advice from Justin Sexten, director of supply development for the *Certified Angus Beef*<sup>®</sup> brand (CAB<sup>®</sup>), speaking at the Feeding Quality Forum in August.

Why should a feeder care about expected progeny differences (EPDs), genomic indexes and sire selection? Health, point of origin and a variety of other factors contribute to profitability on feed. But Sexten said genetics either limit or advance the payoff when cattle are harvested.

"It's not just the genetic heritage of the animal," he said. "It's type, kind, growth potential as well as ability to marble and muscle."

About 70% of the fed cattle population are Angus type. While it's easy to see the difference in price between average beef calves compared to dairy (\$21 discount) or exotic breed calves, there's money to be won or lost filling a pen with black-hided cattle, too. Feeder calf prices vary by \$1 to \$7 per hundredweight (cwt.) based on breed alone. For Angus cattle, the premium ranges from \$.63 to \$4.24 per cwt., but there's even more added value for exceptional Angus genetics.

"To just describe an animal as 'black-hided' may not say much about its ability to gain and grade," Sexten said. "Potentially, it overstates that ability, depending on the genetics that back it up."

He shared data on a group of Angus feeder calves selected based on the Angus Dollar Beef (\$B) index that incorporates the market price impact for post weaning gain, feed intake, quality grade, yield grade and carcass weight.

The conclusion? Cattle with a high \$B add value for the feeder. In the demonstration study, 100% of the calves with a high \$B achieved CAB acceptance, including 72% Prime. The low \$B calves made 52% CAB, 44% Choice and 4% Select – still a high-quality set of cattle. But the lower indexing calves spent an average of 15 more days on feed, had lower carcass weights and a significantly higher percentage of yield grade (YG) 4s. In the closeout, high \$B calves earned \$93.50 more per head. On a load of 35 calves, that would put an extra \$3,272.50 in the feeder's pocket.

Sexten said known Angus genetics can add as much as \$10 per cwt. above the average Angus feeder calf price.



“On the very elite genetics in the upper 10% of the breed, there’s a \$14-per-cwt. premium in feeder cattle known to gain, grade and perform in the feedyard above average cattle,” he said.

For commercial cattlemen investing in carcass traits, that presents a wide-open marketing window.

“There’s a premium for black, but the opportunity is greater for those with leading Angus genetics. The challenge is communicating the difference to the buyer,” Sexten said.

Genetic potential varies widely within a pen of feeder calves, and managers generally feed based on the average of that range. That makes it difficult to see the value of genetic information.

“The opportunity from the cow-calf perspective is to communicate the investment they’ve made in genetics,” said Sexten. “As we look at other traits—flesh, fill, condition, those types of things—all of those traits can be observed or previously known. The genetic potential of an animal is largely unknown without either testing or some background information.”

Historically, feeders rely on data that points to how cattle have performed in the past. For cattlemen looking to communicate genetic merit without feeding history, he recommended using genomic technology like GeneMax Focus to offer precise individual animal potential, while programs evaluating herd EPDs provide insight for group genetic merit.

“Any premium value to the feedyard customer is found at the purchase,” said Sexten. “Their ability to change management once those cattle are procured is minimal, so it’s important to communicate genetic benefits on the front end.”

When the feedyard operator knows the true genetic potential of calves in the pen, it no longer becomes a game of feeding for average, but instead optimizing management for added profits.

*For more information on the meetings, co-sponsored by Roto-Mix, IMI Global, Micronutrients, Zoetis, FeedLot Magazine and Certified Angus Beef LLC, visit [www.feedingqualityforum.com](http://www.feedingqualityforum.com).*

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