

Round Table Discussion

Does the Seedstock Industry Focus on the Needs of the Commercial Cow/Calf Producer?

Moderator:

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Successful purebred breeders have always focused on the needs of commercial producers. However, the needs expressed by commercial cattlemen have changed over time.

During the 1970's and 80's the focus of commercial producers was on maternal ability. Consequently in addition to the constant emphasis on growth, purebred breeders placed more emphasis on increased milk production and the popularity of dual purpose cattle increased. Milk EPDs became a major selection component. Emphasis on maternal ability is still evident today, but concerns over the costs of larger cow size and relative efficiency have reduced the unabated selection for more milk.

Beginning in the 1990's and continuing until today, the demands of commercial producers have moved toward increasing end-product value and expecting more customer service before and after the sale. Some of the ways breeders have addressed these demands are:

Emphasis on End-product Value

- Providing genetics that allow commercial producers to capture added value through value based marketing with companies like US Premium Beef to increase profits of commercial producers.
- Sharing and educating producers about true economic signals has finally sent the “right” signals up and down the beef production chain.
- Emphasizing growth and carcass traits to create a “pounds in the right package” allows the commercial cattleman to produce cattle adapted their operation's environment, but also to hit the targets of economic importance in order to enhance profitability.

Emphasis on Customer Service

- Maintaining an emphasis on breeding soundness- fertility is still the # 1 performance trait no matter how we measure it.
- Offering bull guarantees is more important than ever. Seedstock producers today become customer service representatives after the sale.
- Sponsoring sales and marketing opportunities for commercial customers. Successful seedstock producers spend as much or more time marketing their customers' cattle as they do their own through many of the following programs:
 - Breeder influence sales
 - Buy back programs
 - Coordinating sales via order buyers
 - Feedlot relationships and retained ownership arrangements
 - Sharing value based marketing incentives
 - Implementing age- and source-verified ID systems

Meeting and exceeding the needs of commercial producers has been and will continue to be the objective of successful seedstock breeders. After all, they are our customers!!

*Steve Radakovich
Radakovich Cattle Company
Earlham, IA*

- “If you always do what you’ve always done, you will always get what you’ve got.” Anonymous
- The seedstock industry has historically given the cow calf producers what they have needed IN EXCESS. If a little is good, more is better.
- “When one tugs at a single thing in nature, he finds it attached to the rest of the world.” John Muir
- $Fad \times Publicity^2 = Fact$
- Seedstock producers are offering commercial cattlemen an ever increasing accuracy for genetic value.
- A majority of cow-calf suppliers do not have profit as their highest priority:
 - Tax break
 - Hobby
 - Ego
 - Youth programs
 - Environmental improvement (weed and brush control)
 - Complimentary grazing program with sheep and wildlife
 - Recreation (bucking bulls)
- “Genetics are not an important economic driver on my ranch unless it causes a wreck.” Pete Marble, 71 Ranch, 1980
- “Our goal is to stay out of the way of natural sources.” Dale Lasater, from the DVD Holy Cow
- “It’s not the strongest of the species that survives. It’s not the most intelligent. It’s the one most responsive to change.” Charles Darwin
- Cow-calf priorities of need change with:
 - Advisors:
 - Veterinarian
 - Semen provider
 - Sale barn
 - Seedstock breeder
 - Cattle buyer
 - County fair
 - Season:
 - Calving
 - Breeding
 - Weaning
 - Wintering
 - Feedlot
 - Product
- The great increases in corn yields are largely due to the “adaptability” of plants to the stress of increased plant population.
- The one big injustice of the seedstock industry is evaluating and supplying over managed, over fed, fossil fuel dependent bulls to cow-calf producers forced to survive on solar energy and low-cost production.
- The future of beef production will be determined by the ruminants’ ability to adapt to limited solar produced forages and agricultural co-products.

*Mike Kasten
Kasten Ranch
Millersville, MO*

- From the stand point of producing high quality genetics that fit the different geographic areas where cattle are produced, I think seedstock producers are doing a good job.
- I think the industry as a whole has been doing a much better job than in the past on focusing on genetics that fit the needs of our beef consumers.
- In the future, providing top quality genetics for your costumers is going to be a given notion. How you help them capitalize on those genetics will become more important.
- The beef industry is going to have to answer the question, “How are you going to change your genetics to adapt to higher feed costs that commercial producer are incurring and will continue to incur because of the ethanol industry?”
- With the higher cost of production and the continuing trend of commercial cattle production becoming a recreation rather than a business, another question in our future is how is the seedstock industry going to educate these individuals on genetics specific to end product?
- In the future is the seedstock industry going to be the gateway to limited integration in beef marketing?
- Is commercial producer loyalty going to be driven more by services provided than genetics?
- Are breed associations going the give their seedstock producers the tools they need to provide their commercial costumers with the services they want and expect?

I think we are at a point of tremendous change in the beef industry. The seedstock producers have always been put in the leadership role when it comes to change. How we adapt to the changes ahead will certainly determine our future. The items above are just a few of the challenges I think we will be addressing in the near future.

*Chip Ramsey
Rex Ranch
Ashby, NE*

- The practice of free-enterprise or capitalism has served this country well over the years when compared to any other economic system throughout the world. I would say that the cattleman clings to these economic principles as much or more than any other industry; and rightfully so in my opinion. However, capitalism does not focus on the needs of the consumer but rather the wants and desires of the consumer. Capitalism assumes that the consumer knows what he needs and will include that in his wants. Capitalism focuses on being profitable.
- There are several segments making up the seedstock industry: producers, breed associations, auctioneers, breeding service companies, scientists and technicians of various disciplines, etc... The only common thread or goal that each of these diversified segments share is the desire to make a good return on their investment of time, effort, and capital. Therefore, they are focused on providing the service or product that their clientele are asking of them. For example, bulls don't need to be that fat to breed cows but try to sell one that isn't. As a whole, the people involved in this industry want to make the cattle better but not at the expense of their living.
- Before the commercial cow/calf producer points his finger at the seedstock industry for delivering something that he has asked for that he later found that he didn't need, he should ask himself this question. If someone said they would give you a \$20 per cwt. premium on your calves if they could be kept "all-natural", would you do it? Even though, there is absolutely no proven health benefit to those people who eat "all-natural" beef are you willing to deliver it to them if they are willing to pay more for it? Is that what they need?
- If the commercial cow/calf producer wants something that he needs, the progressive, well-intending people involved throughout the seedstock industry will deliver it, if the cow/calf producer is willing to pay for it. Those forward thinking people in the seedstock industry that try to do the right thing and are willing to take the risk in the near term are usually rewarded with long term success rather than a short term opportunistic profit.
- The commercial cow/calf producer needs the truth. We need to know with as much accuracy as possible what that bull is going to do for us in our herd. We need accurate whole-herd reporting in the seedstock industry, accurate across-breed EPDs, accurate estimates of heterosis benefits, etc... We need these services for as low a cost as possible, which means less overhead costs. But the fact of the matter is; we may just want to be fed a steak and buy a fat bull with a guarantee close to home so that we can get the crop in on time. That's why we live in America; it is our right to choose what we want because we will reap the success or failure of our decisions.