

Looking for Bulls and Cows that Make Money for the Rancher

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We are in the business to produce food for a variety of consumers.

But, who are these consumers and how have they changed over the past 80 years?



LIPS THAT
TOUCH LIQUOR
SHALL NOT
TOUCH OURS



U.S. Pet Ownership

- 81.7 million cats; 2.2/cat per HH
- 72 million dogs; 1.7/dogs per HH
- Humanization — \$38 BILLION industry
- 62% of owners keep animals indoors
- 50% of owners sleep with cats; 33% sleep with dogs
- Emergence of day cares for pets; petscanstay.com

Faux fur coat!



Consumer Concerns and Trust

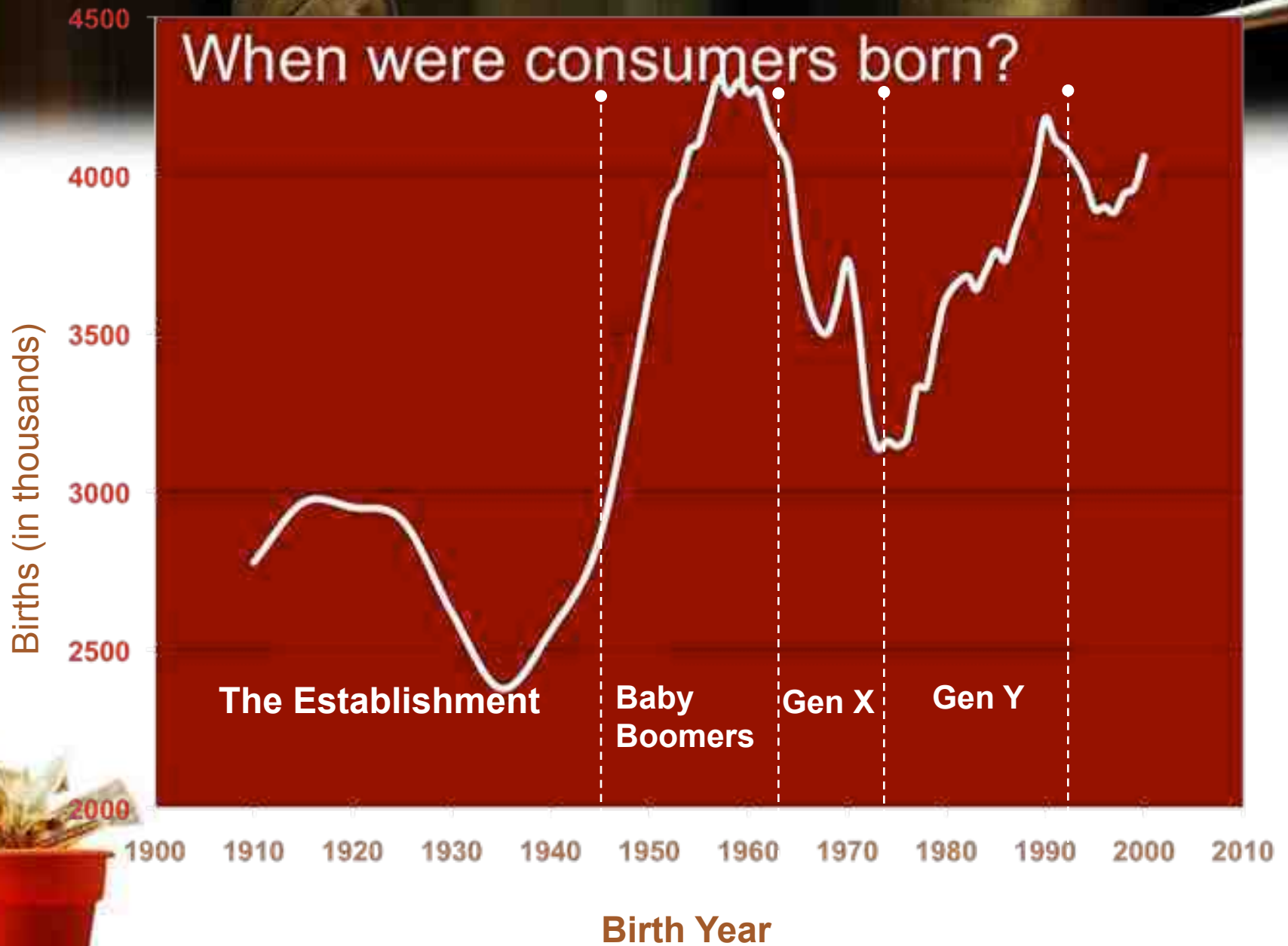




Our Changing World and Consumer Trust

- Consumers don't trust:
 - Government
 - Scientists
 - Big business
- Who do they trust?





What are examples of our “consumers” values by age group?

The ESTABLISHMENT (1909-45)

- 7 million of them
- Defined by: the Depression, New Deal, WWII, and GI Bill
- Value: teamwork, commitment, sacrifice, discipline, plus fiscal and social conservatism



Tom Field, 2009. WSASAS

The BOOMERS (1946-64):

- Largest generation
- Defined by: Vietnam, Woodstock, Watergate,
- Sex, drugs and rock 'n roll
- Value: Idealism, Individualism, Self Improvement, High expectations, Self-centered



55 years ago

The Good Wife's Guide



- Be happy to see him
- Don't greet him with complaints and problems
- Don't complain if he's late for dinner or if he stays out all night.
- Make him comfortable. Have him lean back in a comfortable chair. Have a cool or warm drink ready for him.
- Arrange his pillow and offer to take his shoes off. Speak in a low and pleasant voice
- A good wife knows her place.

The Boomers (1946-1964)

- We didn't grow up
- We protested on college campuses
- We believed in free love
- Smoked dope
- Did drugs
- We still do drugs, except now it is Metamucil, Viagra, Insulin & Lipitor



Lowell Catlett, 2009



Other Useless Consumer Facts

- **Men over 50 with a newborn 15 years ago were 4% of population; now we are 10%**
- **If you are a female over 60, 50% do not have a significant other**
- **Women over 60 with a spouse 6 years or more years younger totals 3.3 million**



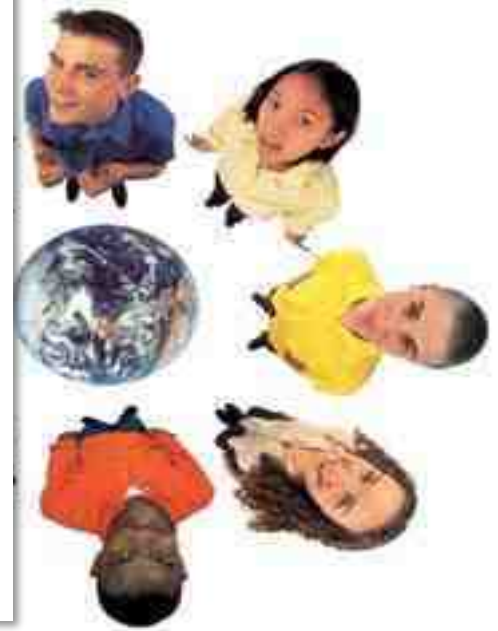
GENERATION X (1965-78) :

- Smallest population
- Defined by: pragmatism, diversity, entrepreneurial spirit, success, savvy, resilience



Generation Y (1979 - 2000)


- 77 million strong, will soon eclipse the number of Boomers
- Defined by: OJ, Monica, Columbine High School
- Value: ritualistic, optimistic, techies, volunteers, rely on parental influence, planners, respond to praise and positive feedback





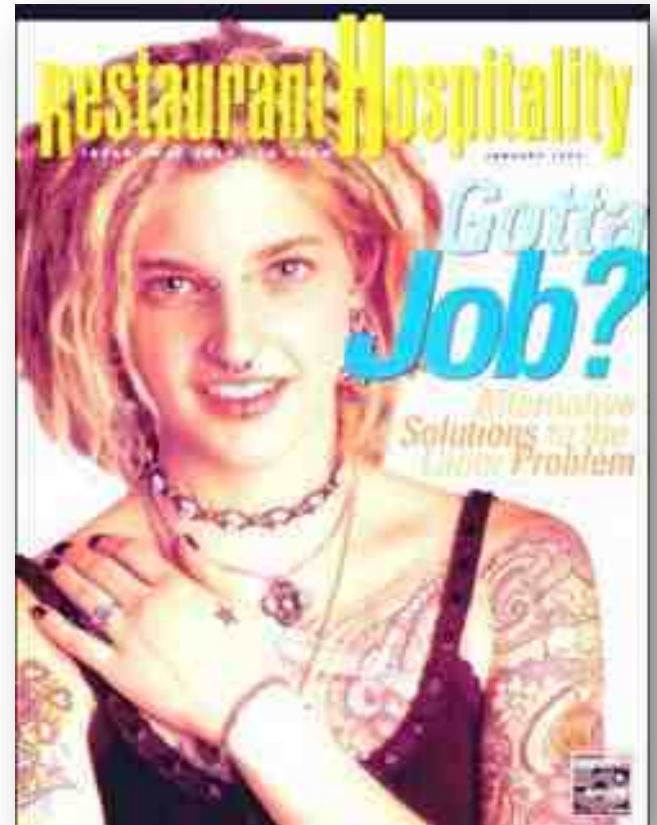
Gen Y Formative Events

youTube **Google** Daily Show
iTunes eBay *SpaceShipOne* CD's
Columbia Accident **The 2000 Election Crisis**
Columbine **Internet** Southpark
Starbucks
Amazon.com *Terrorism* mac vs. pc **Gaming**
9-11 abu ghraib Celebrity Scandals Simpsons
Reality TV
Technology Blogging **Challenger Accident**
Online Shopping **The Iraq War** Franchises
Napster **Cable** MTV Global Warming
Oprah



Generation Y (1979 -):

Born in affluence, generalists, want instant gratification, may not see or accept the consequences of their behavior



The world of communication

- Face Book
- My Space
- Twitter
- Blackberry
- I-Pod
- Cell Phone
- Email
- Web
- Blogging





Current Consumer Trends:

- **Fewer ties to agriculture**
- **Less understanding of production agriculture**
- **Increasingly concerned about safety and wholesomeness**
- **Willing to pay for added sense of security**



What do efficient cows look like?

- Cow efficiency has been described, researched, and discussed in many different forums, and has taken on numerous definitions.
- 480,000 references for “beef cow efficiency” on Google
- When I asked my Beef Management class to describe what an efficient cow looked like; 18 different answers
- “I’ll know her when I can see her”





What is the definition of an efficient cow?

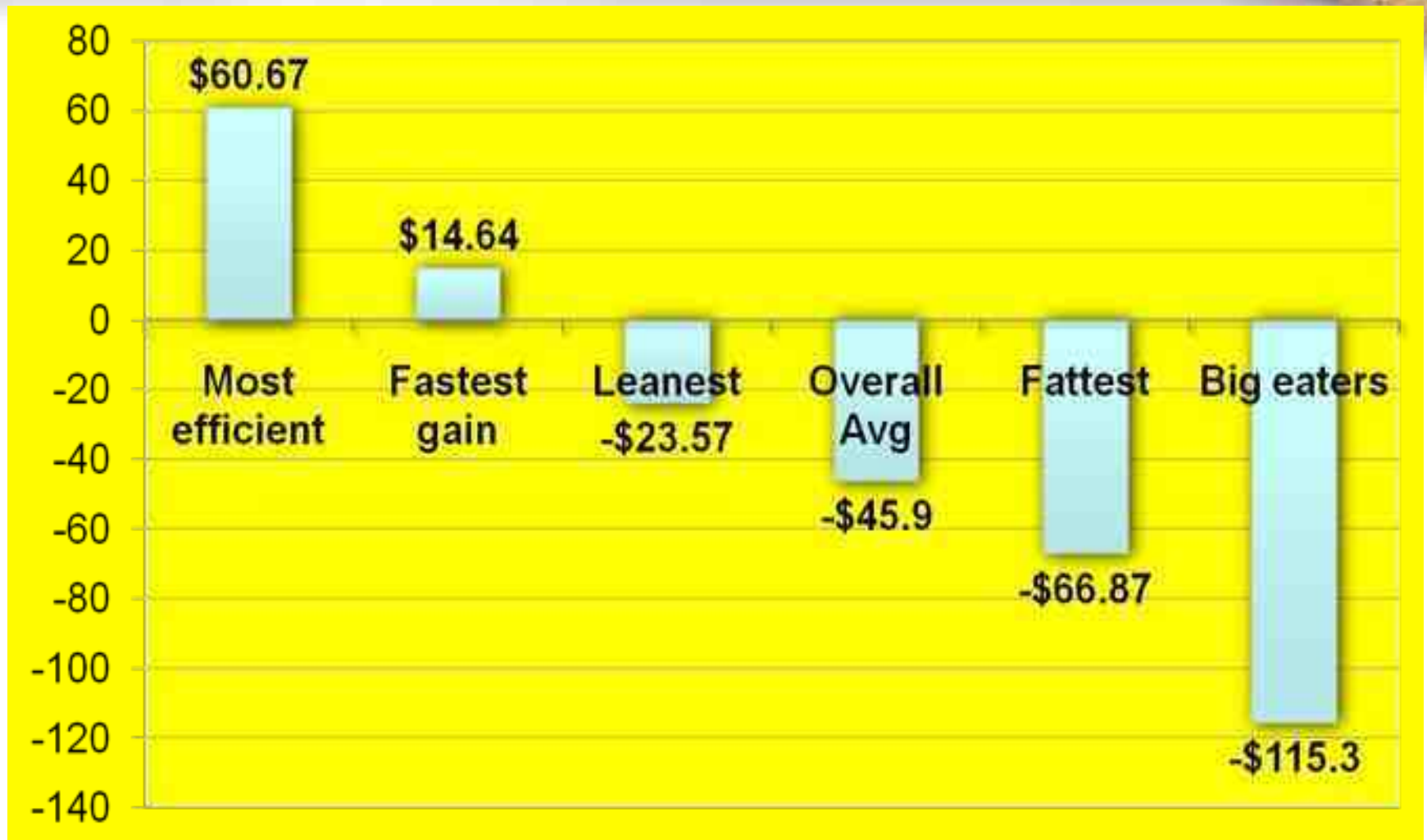
- The ratio of pounds of calf weaned/unit of forage consumed
- Pounds of calf weaned/pounds of female exposed to a bull

Why the search for the efficient beef cow?

**“Efficiency can lower costs, and/or increase returns, leading to better use of resources and increased profitability.”
(Hammett, 2009)**



Ranking of Profitability for Bair Steers



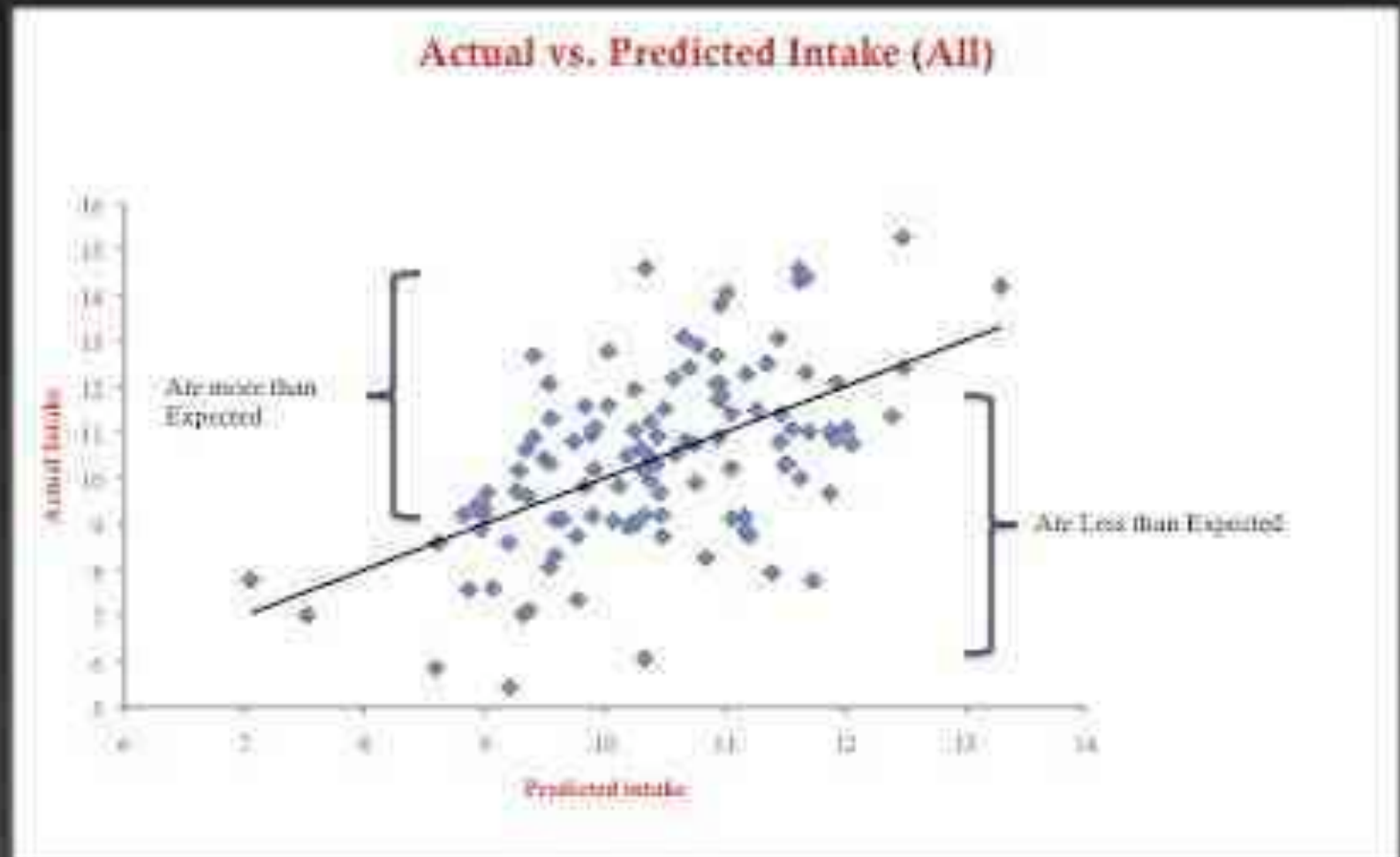


RFI

Residual Feed Intake

**What is it and why are we
interested in it?**

What is Residual Feed Intake and How is it Calculated?



Better Bulls = Better Calves = MORE PROFIT!

TRUSTED BY PRODUCERS FOR 49 YEARS

**1100 Bulls
On Test**

Selling 800 Bulls

- Ⓜ Many Low BW Bulls
- Ⓜ Feed Efficiency Tested on High Roughage Ration
- Ⓜ Negative for Known Genetic Defects
- Ⓜ Culled for Disposition & Soundness
- Ⓜ Delivered Free - First 400 miles to Central Points

Profitability • Efficiency • Performance

MIDLAND BULL TEST

Steve & Lindsay Williams
406/ 322-5597 • 406/ 322-9044
Bid Line **ONLY** 406/ 322-9911
fax 406/ 322-5210
Columbus, Montana
www.MidlandBullTest.com
bulls@midlandbulltest.com

April 6th Gelbvieh, Salers,
Simmental, Pinzgauer

April 7th Red Angus,
South Devon, Hereford,
Murray Grey, Braunvieh

April 8th Black Angus

**MIDLAND
2011**

You Can Have It All!!

Profitability • Efficiency • Performance

MIDLAND BULL TEST

- ⊗ Average 700+ WW
- ⊗ Many Low BW Bulls
- ⊗ Feed Efficiency Tested on High Roughage Ration
- ⊗ Negative for Known Genetic Defects
- ⊗ Scored for GeneSTAR MVP
- ⊗ Culled for Disposition & Soundness
- ⊗ Delivered Free First 400 miles to Central Points

100 Bulls On Test Selling 750 Bulls

FRONTIER
Cattle Research Inc.
www.frontierstockyards.com

April 7th Gelbvieh, Salers, Charolais, Simmental

April 8th Red Angus, South Devon, Hereford, Murray Grey, Braunvieh

April 9th Black Angus

SA B 2010

calved: 1/12/09 tattoo: 9935

HERO 6267 OF R R 2418#
H A IMAGE MAKER 0415#
H A RITO BLACKCAP 9038

PAPA FORTE 1921#
KRONE BLACKCAP 1130#
LEACHMAN BLACKCAP 4053

R R HERO 6267#
R R EVERELDA ENTENSE 0413
H 96 RITO 2100 7371
H 96 BLACKCAP 3835
PAPA OPTIMA 9818
PAPA ENVIOUS BLACKBIRD 8832
BON VIEW BANDO 598#
LEACHMAN BLACKCAP 0056

BW	WW	205 Wt	NR	ADG	ADG Rat	365 Wt	YR	WDA	RFI	PI Wt
84	745	665	100	3.69	122	1121	101	2.95	-2.27	1238
CED	BW	WW	Milk	Year	Marb	RE	Fat			
1+10	1+1.4	1+49	1+32	1+87	1+.21	1+.17	1-.030			

What does this RFI mean?

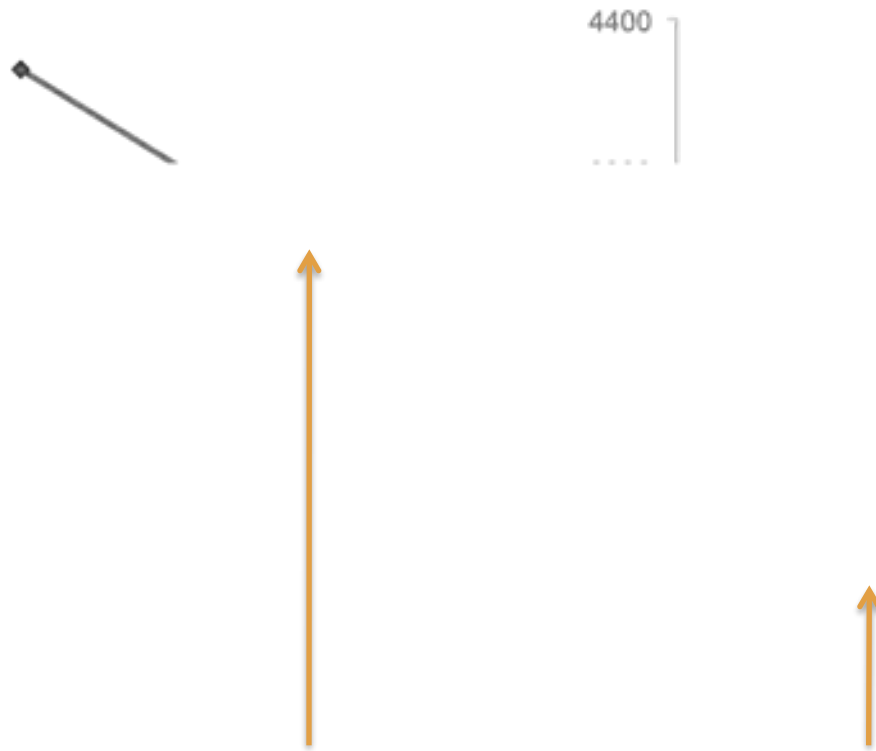


Do Bull Purchasers Value RFI?

- Yes.
- Midland Bull Test
 - Black and Red Angus
 - Willing to pay \$125 for each 1 lb. improvement in RFI
 - Example: Going from a 0.0 RFI to -1.0 RFI was worth an additional \$125

Buyers Paid More for Bulls with a Lower RFI

For every 1 lb drop in RFI, the bull was worth an extra \$125



Ranking of Bull Traits

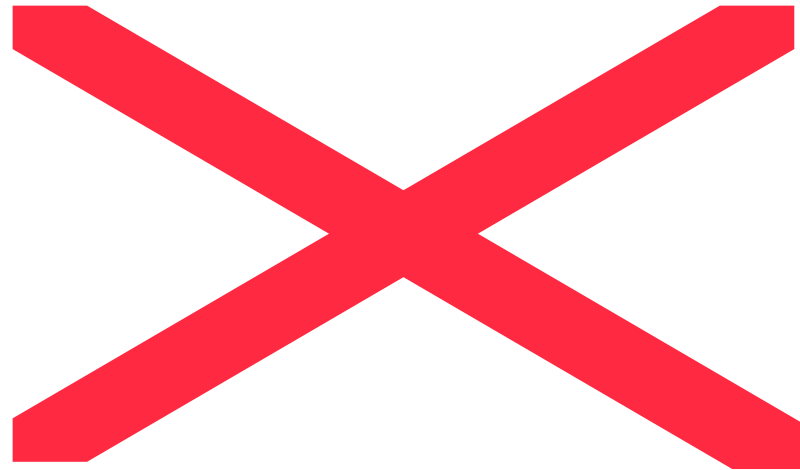
Buyers valued the following traits (2008 & 09)


Bull Trait	Ranking
Birth to Yearling Gain EPD	1
Birth Weight EPD	2
Age of bull	3
RFI	4
Rib-Eye Area EPD	5

How did Buyers Rank the following Bull Traits from Midland?

Bull Trait	Avg Ranking for 2008-09	Ranking for 2010
Birth to Yearling Gain EPD	1	1
Birth Weight EPD	2	1
Age of bull	3	1
RFI	4	1

How are buyers attitudes changing toward value of RFI for bulls?



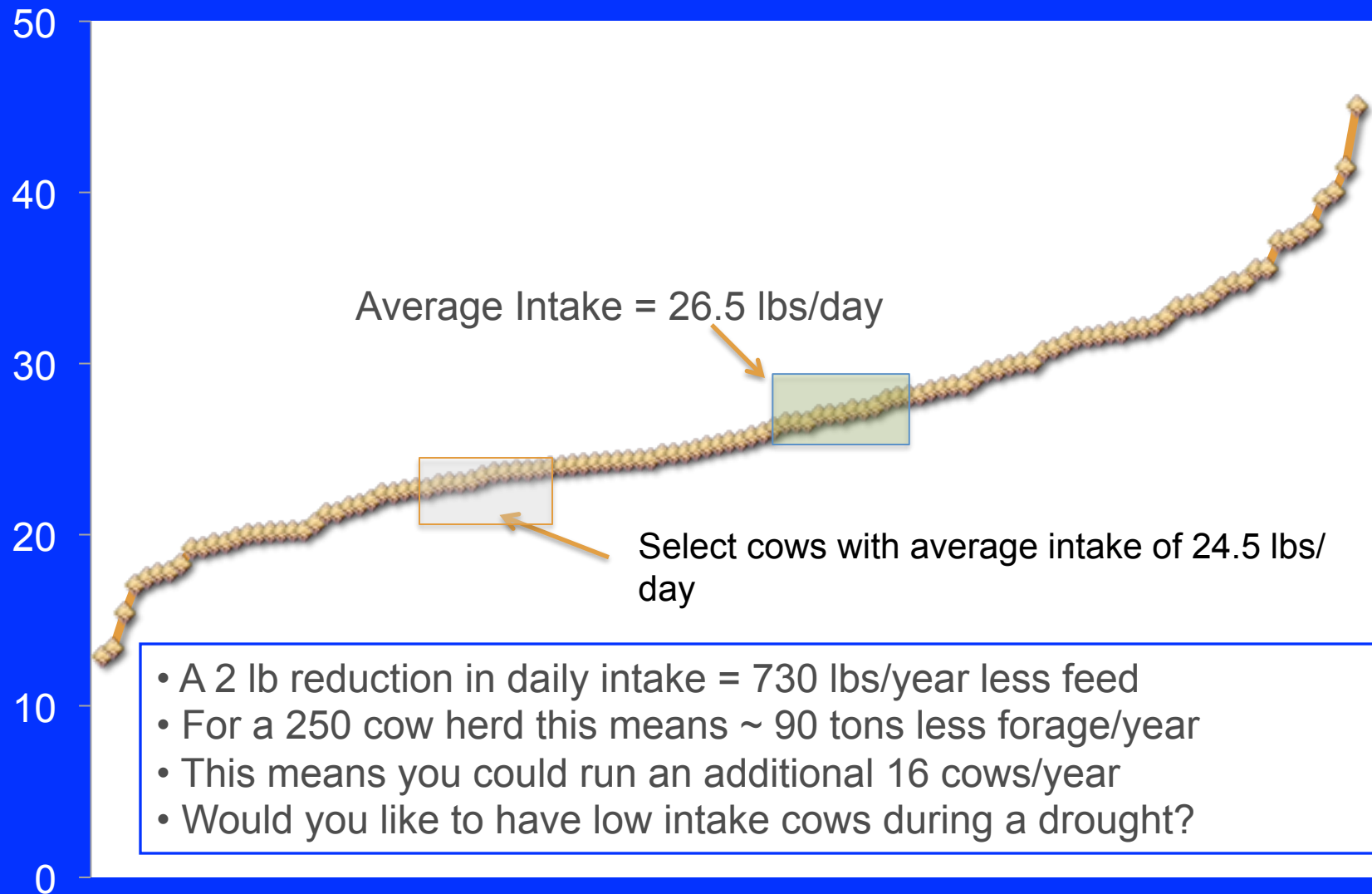


**Well, the bulls have lower RFI,
BUT how do the progeny and
cows perform?**

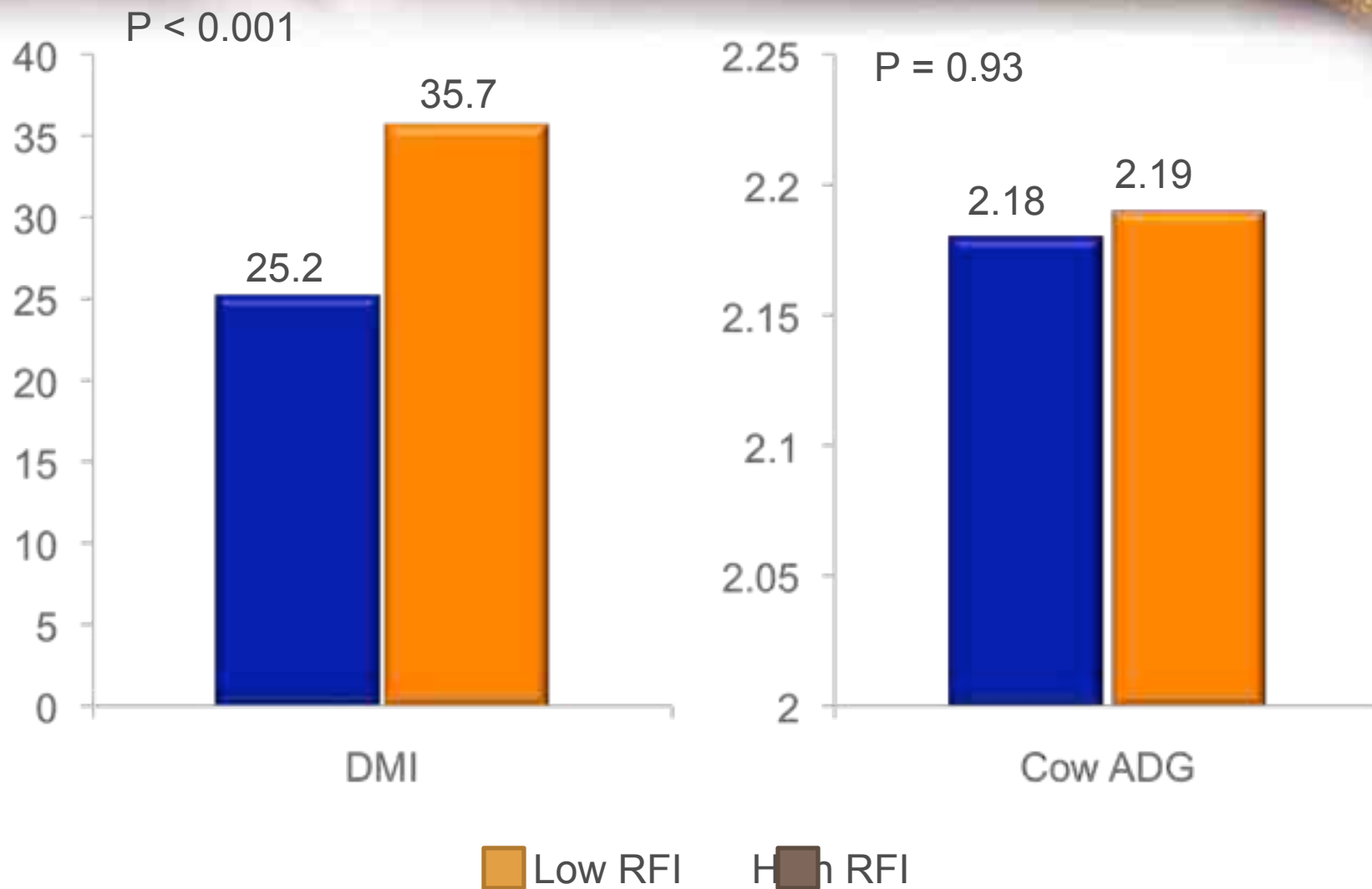
Is it possible to select COWS that eat less but produce normally?



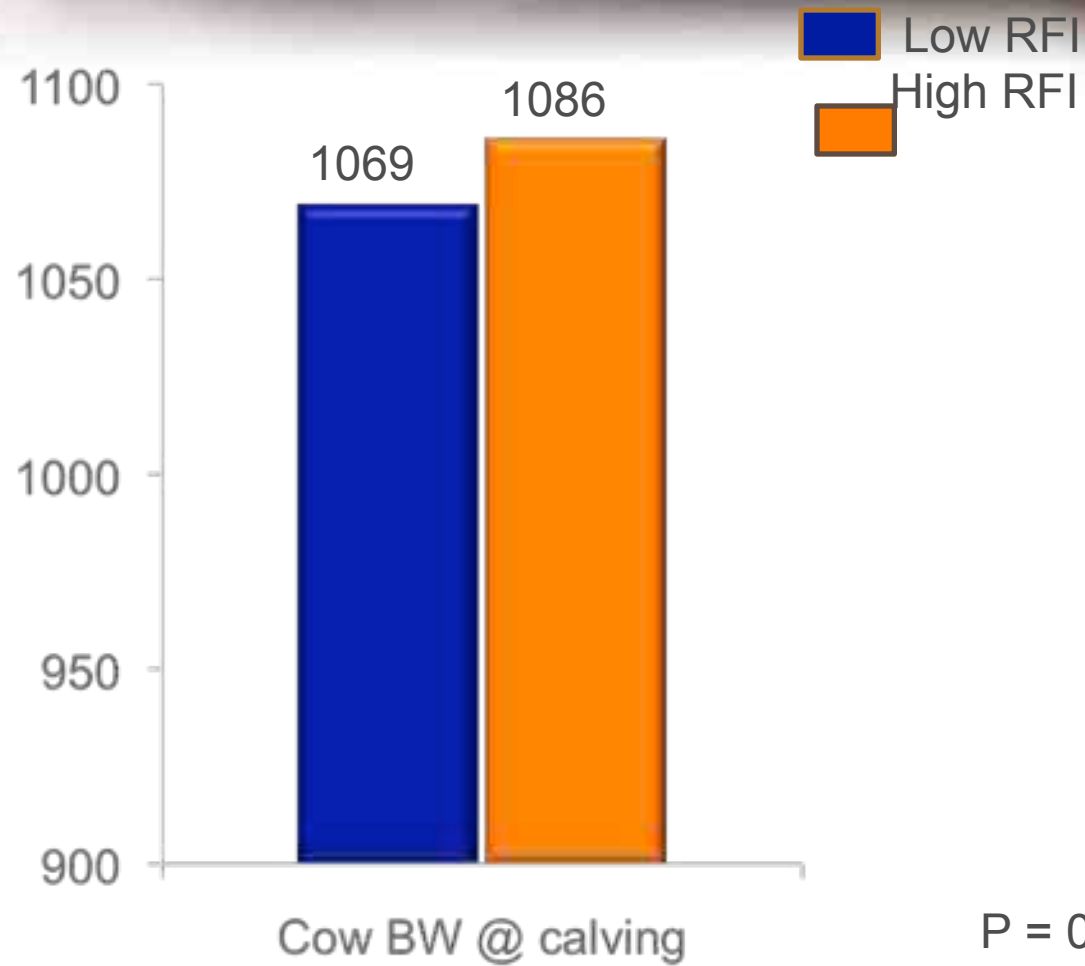
Variation in Dry Matter Intake of Gestating Heifers (Nichols et al, 2010)



Affect of RFI on Feed Intake and Daily Gain



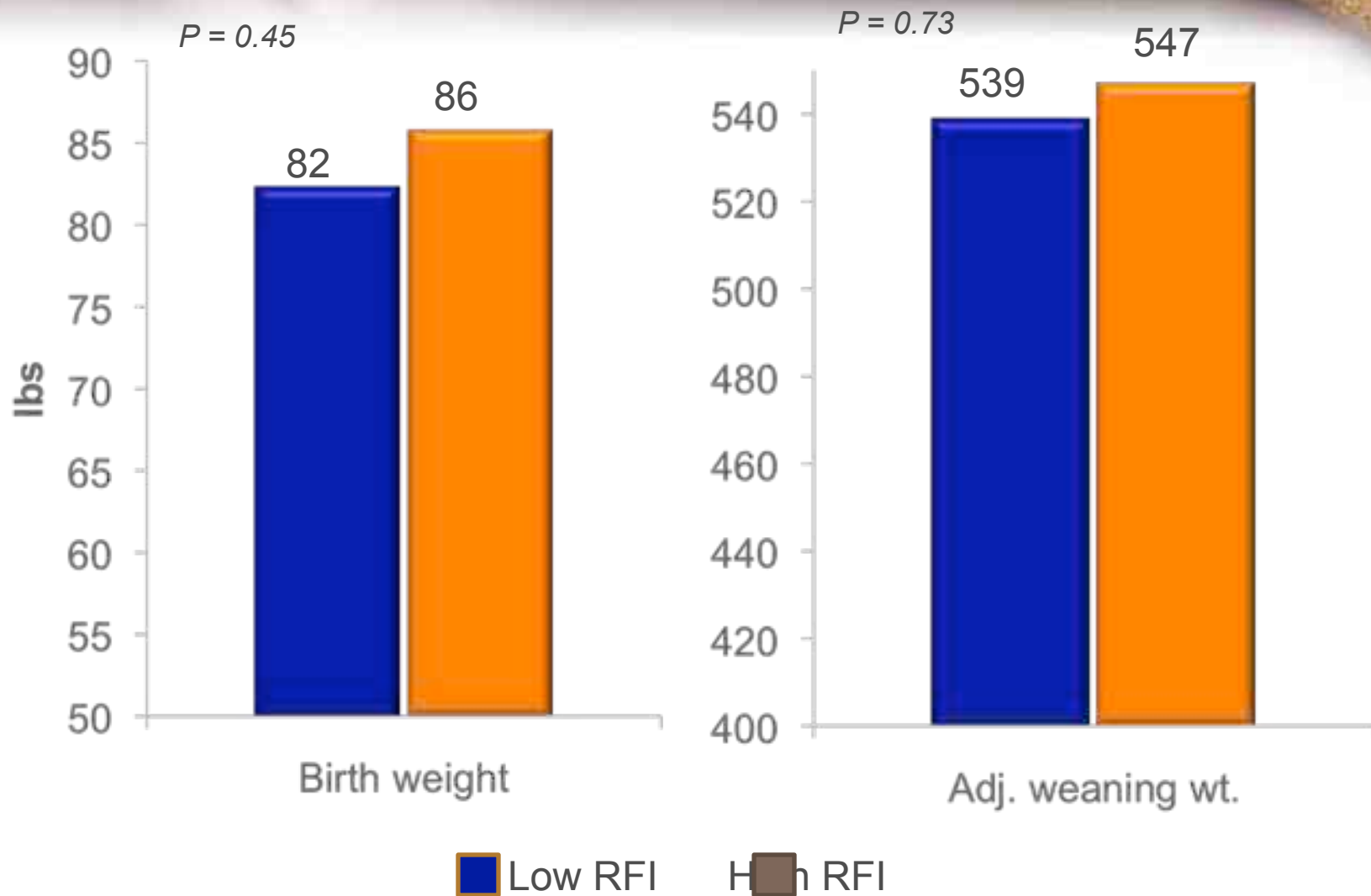
Effect of RFI on Cow Weight at Calving





**Did RFI of the Heifer Influence
Birth Weight of the Calf?**

Effect of RFI on Birth and Weaning Weights



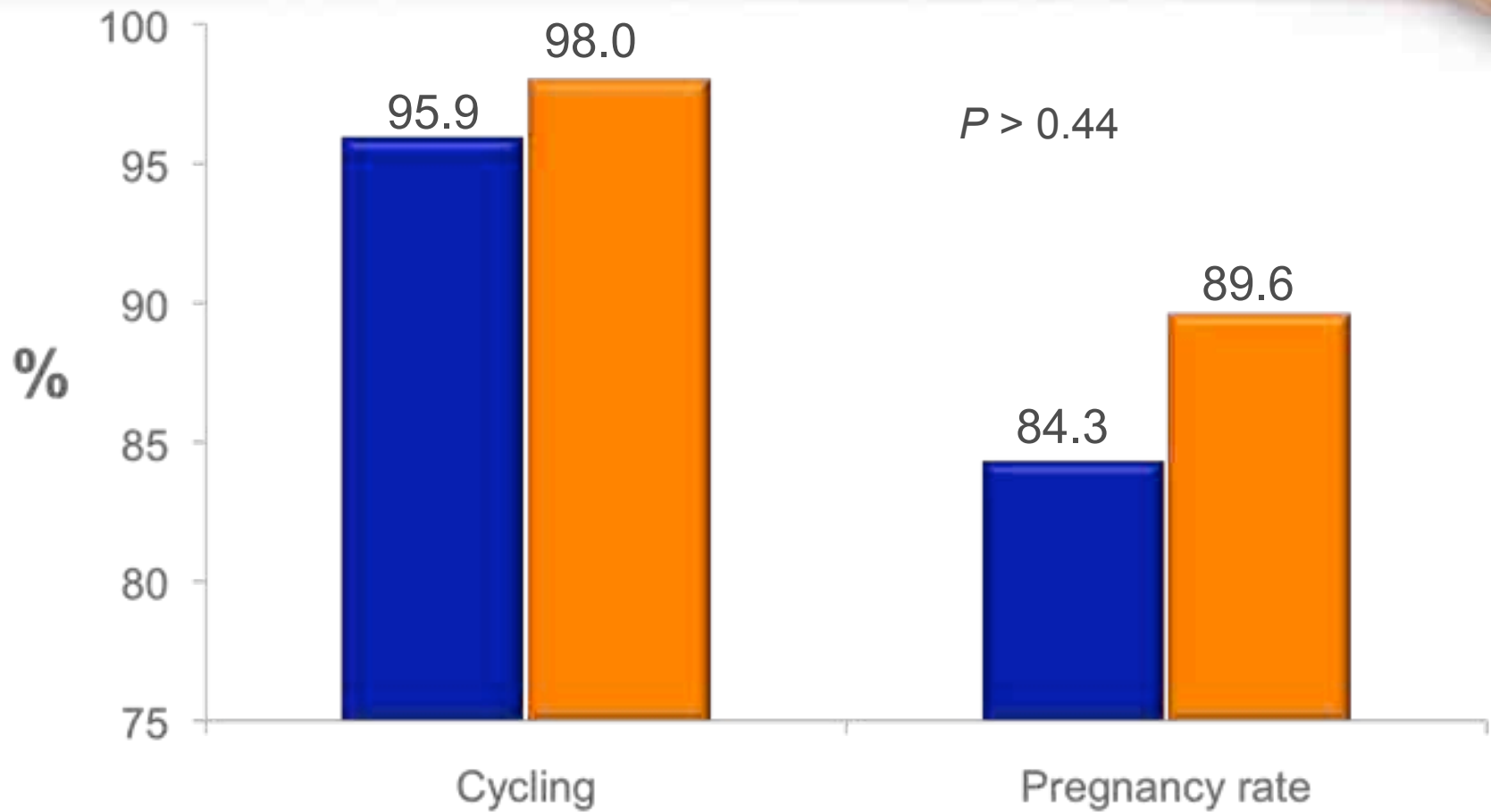




Will a low (efficient) or high (not as efficient) RFI cows eat more when the weather is bitterly cold?

Yes

Reproductive Characteristics





The ideal cow for both biological and economic efficiency

- would be modest size cows with high reproductive rates and low input costs which produce high-value calves.
- Summary statement for 480,000 references?



**In my opinion, are there
efficient cows?**

**Yes, but the answer depends
on what the rancher is
managing for, the
environment that the cow
herd is exposed to and what
the customer is willing to
purchase.**



Well, there appear to be opportunities to improve the efficiency of beef COWS




However, what does the cattle buyer want?

What Influenced Calf Prices During October in Two MT Auction Markets?

Factor	Price, \$/cwt	Price premium, \$/cwt
Calf sex		
Steer	121.87	\$11.55 more than heifer
Heifer	110.32	
Hide Color		
Black or BWF	119.68	\$5.73 (than white)
Red or RWF	116.23	\$2.28
Mixed	114.53	\$.58
White	113.95	\$ 0



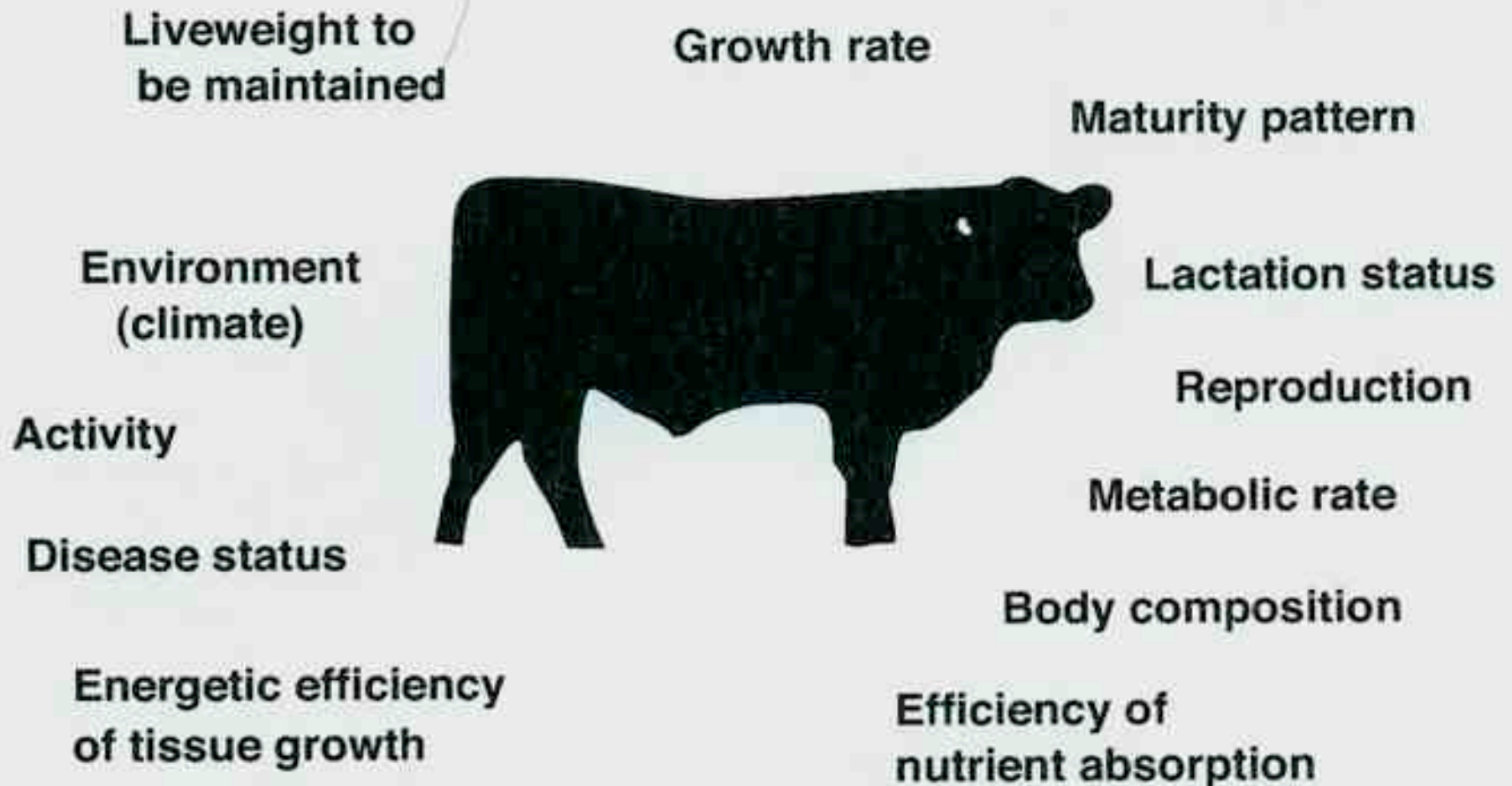
Factor	Price, \$/cwt	Price premium, \$/cwt
Vaccinations		
7-4-1	\$117.82	\$3.48
4-way viral	\$116.13	\$1.79
No vaccinations	\$114.34	\$ 0
Sold as Natural?		
Yes	\$117.82	\$2.48
No	\$114.86	\$ 0
Implanted?		
Yes	\$118.09	\$3.98
No	\$114.11	\$ 0



What are some factors that affect production efficiency in the cow herd?

- Cow size
- Milking ability
- Reproductive performance

What are some of the factors which influence feed utilization?



Comments from the IX Ranch

- There is sometimes a huge leap of faith in what one pays for bulls and how one pays for it.
- I would argue lbs weaned/cow exposed is a bigger deal than weaning weight, at least in a range cow operation.
- Paying more for a bull does not mean more bred cows or live calves weaned. I am constantly amazed by the continued focus on “production” rather than reproduction

(Steve Roth, March 2011)

Observations of a Montana Rancher

(Lon Reukauf; Terry)

1. Big cows eat more.
2. Heavy milking cows eat more.
3. Big, heavy milking cows eat a lot more
4. Cattle are like people, some are easy keepers and some are always slender.

