


Taking A Second Look At Crossbreeding: Considerations and Alternatives in an Evolving Market

General Session I: Straightbreeding vs. Crossbreeding – Show Me The Money
Beef Improvement Federation, OKC
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Are We Duping Producers?

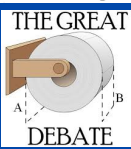
“The world makes much less sense than you think. The coherence comes mostly from the way your mind works.”

Kahneman, Daniel: Thinking, Fast and Slow

“Debate” vs. “Examination”?


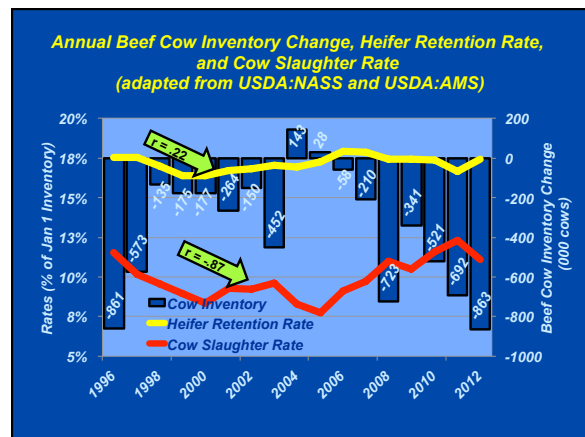
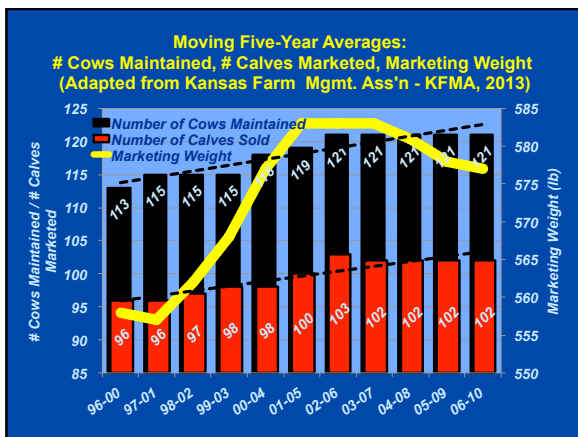
The Big Debate: Straight Bred Angus vs. Crossbreeding?

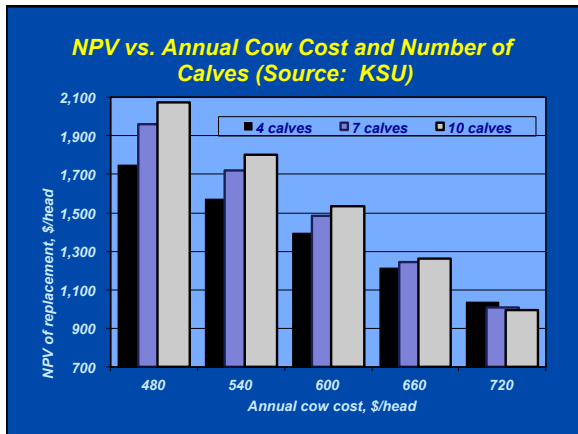
- Diverse operating priorities
- Differentiated marketing opportunities
- One-size-fits-all genetic solution misguided
- **Beef producers encouraged to comprehensively consider relationships around traits of economic importance within the context of current market signals.**
- **Be Increasingly Strategic About All Breeding, Management and Marketing Decisions!**



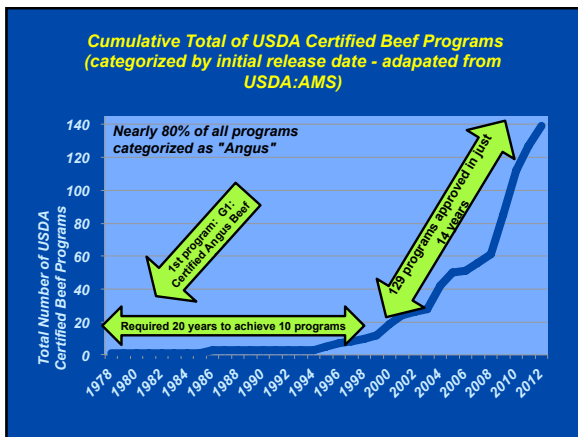
Reproduction / Longevity

- Heterosis improves reproductive performance
- Declining hybrid vigor in cowherd should equal declining reproductive performance and subsequent management
- Limited data about reproductive performance
 - < 20% of cows pregnancy checked (all operations)
 - Only 50% pregnancy tested in herds w/ > 500 cows
- Turn to indicators to assess trends



- ### Certified Beef Programs
- Beef demand weakened from 1980-1998
 - Less product at lower prices
 - Lower production output, weaker markets, less available revenue
 - NBQA 2000: #1 concern = “low overall uniformity and consistency”
 - Greatest quality challenge in which industry had made least amount of progress
 - Choice / Prime – low mark in ‘95 and ‘01
 - Value-based marketing – big talk / little do
 - Needed new emphasis



How Do Market Sectors Define / Describe “Genetics”?

2011 National Beef Quality Audit (CBB/NCBA, 2012)

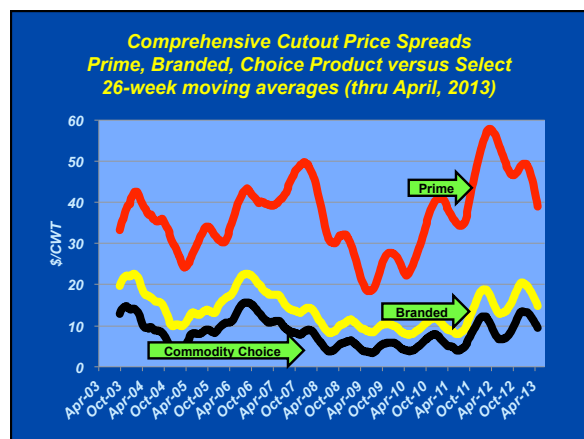
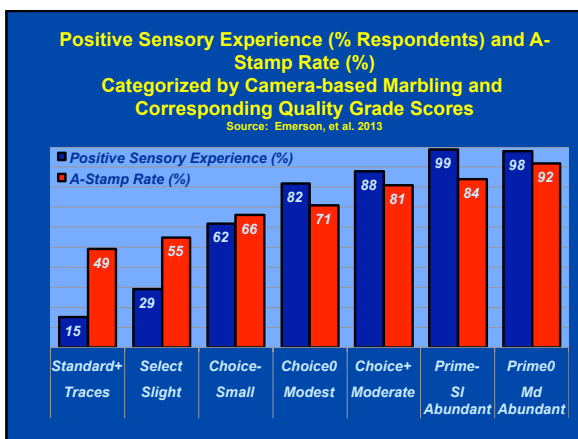
Retailers	Foodservice	Packers	Feeders	Gov't & Allied Industry
Primarily black hide	Primarily black hide	Primarily black hide	Predominately black hide	Quality genetics
Genetic potential for marbling	Primarily British	Genetic potential for marbling	Genetic potential for marbling	Genetic potential for marbling

NBQA Predominately Black Hided

2000 = 45%

2005 = 56%

2011 = 61%



Key Question:
Economic Efficiency vs. Production Efficiency

Answer Differs for Every Operation

Must Consider Both Direct AND Indirect Costs

What is Efficient Beef Production?
Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

What really matters is economic efficiency, which can be thought of as the value of outputs relative to the value of inputs.
Derrell Peel, Nov 21, 2011

SUMMARY

Well-designed, systematic crossbreeding systems valuable to producer AND industry.

Simultaneously, market signals, business dynamics and management priorities are changing

Are alternatives really flawed?

- operational priorities
- shifting market opportunities
- new technology and selection tools
- production capabilities of current genetics

