



Upcoming events:

- September 15—BCIA Fall Bull and Heifer Sale Nomination Deadline
- October 15—Gain on Forage Bull Test Nomination Deadline
- October 16-18—Cattle Artificial Insemination School, Mississippi State, MS
- October 25—Prairie Research Unit Field Day
- November 12—MBCIA Educational Meeting and Supper, Raymond, MS
- November 13—MBCIA Fall Bull and Heifer Sale, Raymond, MS
- November 14—Beginning of Gain on Forage Bull Test

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Economic Considerations for Profitable Cow Herds

King Ranch Institute director gives economic considerations for profitable cow herds.

by *Kasey Brown*, associate editor, Angus Journal®

LINCOLN, Neb. (June 19, 2014) —

"Most people don't get into the cattle business because they have a passion for accounting, but it is still needed," observed Clay Mathis, director and endowed chair of the King Ranch Institute for Ranch Management. He addressed the 2014 Beef Improvement Federation (BIF) Annual Meeting and Research Symposium in Lincoln, Neb., June 18-21.

Clay Mathis, director and endowed chair of the King Ranch Institute for Ranch Management, emphasized that profit-minded managers should seek practical, high-leverage interventions to the production system. They focus on optimizing weaning rate, weaning weight, feed, labor and depreciation.

All managers need a clear view of the operation's financial position, and excellent managers make strategic changes that have long-standing systematic benefit to the operation, he said.

He noted that revenue increases with heavier calves and improved reproduction performance. Expenses have increased across the board during the past 10 years, but he emphasized the "Big Three" expenses: labor, depreciation and feed. "All decisions should be conscious of how it will affect these three costs. The most profitable operations work hard to minimize depreciation," he suggested.

Putting revenue and costs together is the key point. He emphasized that profit-minded managers should seek practical, high-leverage interventions to the production system. They focus on optimizing weaning rate, weaning weight, feed, labor and depreciation.

To do so, managers must pay attention to

financial information, even though it is not the "fun part." Mathis suggested implementing a managerial accounting system, which provides financial and statistical information required to make day-to-day decisions.

Drought has been a big issue for financial viability, he noted. When cows left the Southwest starting in 2011, the financial denominator changed, he explained. There were fewer cows, but the same fixed costs remained. Revenue was stretched tighter. He reiterated that good managers make many small decisions to keep costs low relative to the value of the weaned calves they produce. Excellent managers take that a step further. They do the same, but they also understand and find leverage in the production system.

He recommended taking a look at many options that could impact your production system. These include purchasing bred replacement females instead raising your own, contracting hay production/farming tasks, or implementing a crossbreeding system. These are not blanket recommendations, he said; however, they can provide ideas of options to consider.

"Listen for information that may lead to high-leverage improvement in your operation," he concluded.

This article is reprinted with permission from www.BIFconference.com, the Angus Journal's online coverage site of the 2014 Beef Improvement Federation Research Symposium and Annual Meeting.

Even if you missed the recent Beef Improvement Federation Research Symposium and Annual Meeting, you can still get up to speed on what was presented at the conference. Conference presentation summaries (like the one on this page and the next page), slides, audio, and proceedings papers are available online now.

“...Sale set a new record with an outstanding group of 229 bred heifers averaging \$2,774..”

Southeast Producers Heifer Sale a Big Success

The 2014 Southeast Producers Replacement Heifer Sale set a new record with an outstanding group of 229 bred heifers averaging \$2,774.

The high selling lot of 4 Black white face Brangus cross heifers brought \$3,350 each

and were consigned by Mark, Marcus, Micah, Michael and "Coach" Roland Ladner of Hancock County. Other high selling lots included a set of 9 females from Remington-Lott that sold for \$3,200/ head, and a pen of 2 heifers from Bud Williamson that sold for \$3,200 each as well

Consumers Share Insights about Production Practices

By: Rick Husted, MBA, Vice President, Strategic Planning and Market Research, National Cattlemen's Beef Association, a contractor to the Beef Checkoff

The checkoff-funded 2013 Consumer Image Index indicates that consumers are considerably more positive about beef the product than they are about beef production practices. While consumer knowledge of production practices, be it cattle, chicken or hogs, is relatively limited, certain segments are more likely to seek out information. For those recently exposed to a story related to beef production, concerns include subjects like antibiotic/hormone use, diseased/sick cattle, inhumane treatment, crowded conditions, cattle diet and method of slaughter. The study also gained considerable insight into how best to communicate to consumers about beef production and what the hot buttons are that turn consumers off (e.g., talking about the feed yard, referring to “slaughter”). Consequently, the most positive ways to talk about beef have less to do with production and more to do with beef's health or nutrition benefits like being lean or being a source of vitamins/minerals and protein.

Consumers are becoming more and more interested in meat production and how their food is produced

Consumers are also increasingly engaged in, and taking action related to, production issues.

- Some consumers are buying brands or types of food they believe are more responsibly produced, including more organic meats and produce.
- Only the primary beef target takes it one step further by encouraging others to

buy or avoid particular brands or products.

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- Only the primary beef target takes it one step further by encouraging others to buy or avoid particular brands or products.

With respect to both beef and chicken production practices, consumers are feeling more informed.

- Favorability towards cattle ranchers, butchers and grocers who bring beef to their tables increased significantly this year among the general public, approaching the high levels of regard held by the primary target consumers.
- This favorability is strongest when “feedyards” are not referenced in relation to the beef production cycle.

While not considered a leading authority, ranchers do have strong credibility as an information source about beef production practices, even higher than registered dieticians.

- The number of consumers who saw interviews or had conversations with cattle ranchers or farmers increased significantly in 2013.

Having “ongoing programs to produce the most nutritious meat possible” is increasing in importance to consumers.

Read more about consumer insights into beef production: <http://www.beefissuesquarterly.org/beefissuesquarterly.aspx?id=4203>

“...consumers are considerably more positive about beef the product than they are about beef production practices.”

Don't Blame the Bull: Should we rethink contemporary groups, sorting at or before conception?

by Kasey Brown, associate editor, Angus Journal®

LINCOLN, Neb. (June 19, 2014) —

With the recognition of potential developmental programming and epigenetic effects, Dan Moser, associate professor in beef cattle genetics at Kansas State University, proposed the idea of redefining contemporary groups to attendees of the joint meetings of the Advancements in Selection Decisions and Advancements in Producer Applications committees. These committees were breakout sessions of the 2014 Beef Improvement Federation (BIF) annual meeting and research symposium in Lincoln, Neb., June 18-21.

Dan Moser, associate professor in beef cattle genetics at Kansas State University. He explained that traditional methods of genetic evaluation consider the animal through genetic effects; the environment through contemporary groups; unexplained variation through residual effects; and genetic and environmental variance, which are components of heritability.

However, Moser asked, if other effects impact the calf before birth, how does that change the comparisons?

Developmental programming is the phenomenon that management during pregnancy affects the calf. Epigenetics is the phenomenon that progeny show modified gene expression when the dam is subjected to severe stresses during pregnancy. This isn't a change in the DNA, he clarified, but it does change the regulation of gene expression. This means the modified gene expression doesn't show up on a SNP chip. Some of these potential stressors include forage availability and quality, higher milk production during early pregnancy, late weaning, and a mismatch of genetics and environment.

Can we successfully model developmental programming? He suggested a few options to consider. One option is expanding the definition of contemporary group by

extending it to include common management from weaning of the previous calf. Another is grouping first-calf heifers in their own contemporary groups. The developmental programming effects might be partially accounted for with age-of-dam adjustments on a breed-wide basis.

Nevertheless, these options would reduce contemporary group size. For a long time, Moser noted, the industry has preached larger contemporary groups because you lose information with smaller groups. This poses the question of how much do we gain with more effects accounted for but in smaller groups? He did grant that loss of contemporary group size can be partially offset with genomic evaluation.

To model epigenetic effects, Moser suggested grouping progeny data by the dam's birth year. For example, this would group the cows that were born in a severe drought together and observe their calves together. Producers who retain females to older ages would see greater division of groups.

He doesn't recommend changing the model overnight, especially with additional concerns. Most likely, heifer calves from malnourished dams would be less likely to enter the herd, lessening the overall impact of these effects. However, such effects may be more prevalent with embryo transfer and cooperators herds. So far, the effects of developmental programming and epigenetics appear small; and the structure of contemporary groups limits our ability to model the effects. Field data research with detailed management information is needed to clarify the significance of the effects, he concluded.

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“...if other effects impact the calf before birth, how does that change the comparisons?”



Dan Moser, associate professor in beef cattle genetics at Kansas State University.

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Name: _____

Address: _____

City: _____

County: _____ State: _____ Zip: _____

Phone: _____ Email: _____

(Check one) Seedstock: Commercial:

Cattle breed(s): _____

Completed applications and \$5 annual dues or \$100 lifetime dues payable to Mississippi BCIA should be mailed to:

*Mississippi Beef Cattle Improvement Association
Box 9815, Mississippi State, MS 39762*

DID YOU KNOW?

Cattle and calf value of production in Mississippi increased from \$237 million in 2011 to \$329 million in 2012. As a whole, agriculture is responsible for 29 percent of the state's employment and 22 percent of statewide income. <http://www.agcensus.usda.gov/>
<http://farmflavor.com/us-ag/mississippi/>

619,172

The number of farms and ranches specializing in beef cattle in the U.S. in 2012.



That's 29% of all farms, the largest category of operations in the U.S.

Save the date!

BEEF
IMPROVEMENT
FEDERATION
JUNE 9-12 • BILOXI, MS
Annual Convention

20 15

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