

Cattle Business in Mississippi – August 2007 “Stocker Cents” article

Source and Age Verification: Benefits Beyond Qualification for Export

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By now, beef producers have been flooded with many other popular press articles describing third-party source and age verification of cattle to meet requirements for export. While many aspects of these programs have been thoroughly discussed, implementation has lagged. On an individual basis, lack of participation is likely due to a combination of factors. Factors that differ depending on the sector of production the producer contributes to. More aggressive implementation of these management/marketing strategies will be stimulated if and when they are proven to be beneficial to individual producers and when the apparent complexity of the application is reduced to match the simplicity of the concept.

The concept **is** simple: maintain records of when and where a calf is born until it is harvested. For process verification, maintain records of how a calf is managed from birth until it is harvested. However uncomplicated the concept might seem, the diverse nature of U.S. beef production dictates that some complexity arises in the application. Again, acceptability will increase when the full benefits of the programs are made clear.

Primary benefits

Almost every major change in the production of U.S. beef has been market-driven. The most apparent benefit of verifying the age and origin of cattle is realized at market. For now, premiums are given to verified cattle. Many stockyards have sales for feeder and stocker cattle that are age, source, and/or process verified. Premiums up to \$30 a head can be realized for these cattle, making the investment profitable and more acceptable. As with any other marketing tool, returns are variable and premiums for verification depend on many other market factors. It is also likely that this change will follow the pattern of other management tools that began as a way to garner a premium but became the norm and now represent a discount if not practiced, i.e. preconditioning and vaccination. The most economic benefit will come for producers that have begun the practice early and have the power to set trends in the methods of application.

Additional benefits

Beyond the primary advantage, several other benefits can be expected after implementing a verification program. Improved documentation to meet the requirements for verification will also improve record keeping for other management practices. Furthermore, improved records will allow a more precise characterization of the actual economic performance of the calf crop and enable the producer to make more aggressive marketing decisions.

More commitment to maintaining a shorter calving season will be a benefit for the commercial cow-calf producer. It has been thoroughly demonstrated that a controlled

calving season increases profitability by concentrating labor and yielding a more uniform, and more marketable, calf crop. This should also translate into selection for improved reproductive success. As participation in source verification increases, it will be easier to verify, and market, groups of calves more uniform in age. Therefore, the desire for cow-calf producers to identify open cows at the end of a breeding season will increase; cows will calve earlier in the calving season; and subsequently, cows will re-breed easier in the next breeding season.

One of the most important concepts to keep in mind is that the traceability not only goes from end-product back to point of origin, but it can also be followed from point of origin to end product. With cooperation from feeders and packers, this can be a powerful tool that will enable smaller producers to track the performance of their cattle in the feedlot and at the processing facility. If a producer knows that their cattle perform exceptionally well in the feedlot or are suited to a specific grid marketing option, they will be far more comfortable making the decision to maintain ownership rather than marketing at weaning. More importantly, the producer will now be able to use genetic selection to improve their cattle to better suit the current market. Along these lines, the Mississippi Farm to Feedlot program provides an option for cattle producers to learn more about their cattle genetics, cattle marketing, verification programs, cattle feeding, and risk management. Cattle shipments are accepted year-round for this educational program facilitated by the Mississippi State University Extension Service.

It should be noted that source and age verification programs are often, and mistakenly, associated with the National Animal Identification System (NAIS). While the practices that are suggested by the NAIS blend well with these programs and facilitate record keeping, participation in it is not a requirement.

Each of these benefits ultimately revolves around marketing and building a reputation, both personally and regionally, for good cattle that perform well in specific scenarios. Dr. Parish discusses the significance of a reputation for quality cattle in the “Beef Production Strategies” article in this issue. It is important that each producer contributing to Mississippi beef production realize that she or he personally influences the perception of the beef that originates from this state, this region, and this country. As with any large group, poor decision making by a few can damage the reputation of the whole.

The mission of the Mississippi State University Extension Service is, in part, to “enable the people of Mississippi to make informed decisions about their economic, social, and cultural well-being.” If you would like more information about the topics covered in this article or other stocker cattle topics, please feel free to contact your local Extension office.