

A PERFECT MATCH, PART II

SimGenetics and 70:70

By Jerry Lipsey, Ph.D., Executive Vice President

Summary from May and July: JBS Swift & Company is the largest beef packer in the world. Swift recognizes fed cattle that produce Choice or higher quality carcasses with YG 2.9 or better meat yield are their top profit makers. Both ASA's Carcass Merit Program database and cattle research centers across the nation provide proof that Simmental x Angus combinations provides genetic support for these valuable carcasses.

JBS Swift & Company recognizes the potential value of these crossbreds and has agreed to pay premium prices for Choice, YG 2 carcasses through a program ASA calls the 70:70 Grid.

The economic advantages of crossbreeding are unchallengeable, but the management of maintaining the ideal blends of Simmental/Simbrah, Red Angus, Angus and Brahman has been troubling. Often, purebred bulls ultimately created far more variation than uniformity. Until ASA and Cornell University developed Multibreed Genetic Evaluation, the entire beef industry didn't trust the EPDs of "crossbred or composite" seedstock.

Years of refinement provide confidence that all animals in our database have comparable EPDs. Currently, the "most used" Simmental, Simbrah, SimAngus, Angus, Red Angus and "Club Calf" bull in our database have the following EPDs:

Sire Classification	Reg #	BW	WW	YW	MWW	MB	YG
Simmental	2144976	-1.0	35	60	26	0.30	0.01
Simbrah	1965293	1.0	25	42	14	-0.09	-0.01
SimAngus	2170197	-2.6	37	66	30	0.48	0.10
Red Angus	2236075	-3.0	30	64	13	0.58	0.34
Angus	2326312	-5.3	35	85	36	0.66	0.31
Club Calf	2215132	5.1	0	8	0	0.18	-0.02

These EPDs are comparable, as are all the other animals that go through our multibreed genetic evaluation. We have not yet developed multibreed EPDs for calving ease, maternal calving ease, stay, API or TI; however, we will get there, and then, ASA members will be positioned for even better-designed composite breeding programs.

The free market works. We beef consumers pay most for the products we want, and retail stores and restaurants receive the messages. Tender, tasty, juicy beef with no trimable fat commands top dollar in this country. Of course, the signals penetrate back to packers, feedyards and the cowherds of our nation. Through the 70:70 Grid, JBS Swift & Company will pay extra for Choice, YG 2 carcasses. Why is Swift willing to pay premiums?

Dr. Gene Rouse, Iowa State University, has said, "we want taste fat, not waste fat". There are significant science reports to substantiate consumer panels prefer the flavor of Choice-grade beef to Select-grade products. Although recent months have recorded very narrow Choice—Select Price spreads, more than two decades of pricing history leads us to believe rewards will continue for

highly marbled beef. Packers and retailers can sell higher quality beef for more dollars. Carcasses that grade USDA Choice and also achieve YG 1 or 2 are worth many, many more dollars than over-fat yield grade 3s and 4s.

Without doubt, feedyards always consider the marbling potential of feeder cattle, and their genetic background to reduce backfat. Regardless of whether the transaction occurs at the livestock auction, video auction, or over the phone, order buyer to ranch manager, the genetic make up of the cattle is always a factor. Perhaps the greatest factor influencing the future of ASA rests on the opinion of our industry partners.

Here's the critical question. When Simmental or Simbrah is used in the description of the feeder or fed cattle, are they worth more?



Typical college professors answer questions with "that depends." It depends on the cattle either delivering more value through lower cost of production or marketing with superior endproduct value (or both).

Feedyards decide to pay more for feeder cattle that reduce cost of production because:

1. They are healthy and will stay healthy.
2. They will gain rapidly to ideal harvest weights and use feed efficiently.

Both feedyards and packers pay more for cattle that:

- A. Qualify for rewards such as Choice, Premium Choice, and branded products.
- B. Either reduce Yield Grade 4 and 5 discounts or enhance carcass meat yield.

So, if we were to define top-value Sim-influenced feeder cattle they might be described as weaned, vaccinated, thrifty-conditioned, Simmental crossbreds (Simmental combined with another breed that benefits from Simmental strengths, and improves Simmental long-perceived weakness, marbling). Is it any wonder that ASA members use Angus and Red Angus A.I. sires with excellent marbling EPDs?

Healthy, wisely designed crossbred feeder and fed cattle combining Simmental (Simbrah) with high marbling breeds that benefit from the strengths of SimGenetics, are becoming the most prized, most discussed industry items in this nation. Market after market is reporting that Simmental crossbreds are in high demand, often topping weekly sales. The industry is asking for them, and we can now verify our products with SimChoice.

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SimChoice tags, labeled either "Simmental Genetics" or "SimAngus" carry the symbols of value to feedyards and packers. Only producers with confidence and knowledge that they have designed crossbreeds with superior value market use SimChoice tags. These cattle are the results of the EPD selection pressure ASA members have put on making better cattle and better beef.

Review any issue of *SimTalk*. The bull sales listed there feature some amazing progress in genetic selection for traits that cowherds, cattle feeders and we, beef consumers want. More and more SimGenetic Breeders help their bull-buying customers get SimChoice tags. 70:70, SimGenetics and SimChoice really are a perfect match, and the beef industry knows it.

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