

# Hereford Field Day Has Discussions On Beef Industry Direction

OBERLIN, Kan. — Attendance nearly tripled from the previous year at the 1998 American Hereford Association Genetic Outreach Program (GOP) Field Day in May.

Three speakers highlighted the agenda in Oberlin, Kan., on May 7. As they spoke, a consensus rang clear: successful producers will plan their genetics to focus on carcass traits, manage the cattle correctly, and find alliances to fit their cattle into niche markets.

The event kicked off May 6 with a four-man scramble golf tournament at the Heritage Hills Golf Course in McCook, Neb. Pfizer Animal Health sponsored an evening meal of Certified Hereford Beef (CHB), a social and an educational program to conclude the day's activities.

Pfizer's Senior Territory Manager Don Hubbell, N. Platte, Neb., spoke to producers about the importance of pre-conditioning and good health programs. The field day concluded May 7 with a tour of Decatur County Feed Yard to check the progress of the nearly 800 head of Herefords participating in the GOP feedlot and carcass test.

Daryl Tatum, professor of animal sciences at Colorado State University, asked producers to think more like a packer when zeroing in on market cattle value. He said producers who market cattle on a formula or grid basis are discovering huge value differences, as much as \$100-\$200 difference per head, in lots that may appear consistent but have varying components that affect value.

"In the packer's eye, not all cattle are created equal," he said. The packer's job is to dismantle a carcass and process it to sort out value. Many factors, such as hide, organs, bones and fat, can affect his profitability.

Tatum said weight distribution in the carcass drives value. He said the proportion of red meat yield coming from the carcass to the cuts needs to be maximized, along with the proportion of carcass vs. noncarcass components. Although a carcass may have a high dressing percent, much of that weight can be pulled off in fat, bone, feet, organs, and fill.

He said fat, the most variable component of the carcass, will be viewed differently in the future as more is fed or bred off. Today, fat has the biggest impact on composition and cutability. Instrument grading will shift this focus to muscling.

"I think what you're going to see in the next 10-year span in our industry is that muscling is going to play a big part in terms of determining value — much greater than it does now."

Yield grades will be determined to the nearest tenth of an inch with future grading techniques. "Then, all of the sudden that becomes a powerful marketing tool, a powerful pricing tool," he said. "It also becomes a powerful selection tool for cattle-men."

He predicts more emphasis on traits that affect quality — marbling, maturity and color of lean — with instrument grading and video imaging equipment that better determine quality factors and tenderness. Tatum said the discounts for Standard



At the 1998 American Hereford Association Genetic Outreach Program Field Day, participants viewed the progress of nearly 800 head on a test at Decatur Co. Feed

Yard in Oberlin, Kan. The steers are averaging 4.24 pounds ADG after nearly 80 days on test.

grade will continue to get bigger because there is little market for that product.

Tatum discussed and showed examples of cattle types to the audience. He urged producers to hit a target of minimum 63% dressing percent and Yield Grade 2. He warned producers against straddling the fence.

"The cattle either have to have some quality performance in terms of marbling ability and quality grade or they've got to have some cutability performance," he said. "Otherwise you're just left in limbo."

Rob Ames, CHB head of product marketing, said the beef industry is undergoing a revolutionary change in how we operate due to rapid marketplace and consumer change. America's demographics will undergo a major renovation in the near future: baby boomers will have the predominant spending power, the Asian and Hispanic populations will expand rapidly, and 50 percent of the population is expected to be single adults by the year 2010.

Ames said these changes will create a need for a variety of products that fit consumers' lifestyles, economic situations, family structure, and ethnicity.

"We're no longer a meat and potatoes country. We're no longer steaks, hamburgers, and roasts," he said. "We're fajitas, we're teriyaki beef on rice. We're all kinds of menu items and options. We're all kinds of cutting styles and we're all kinds of portions."

Ames said this creates several problems in how the beef industry does business now.

•Size — "We've talked for years about cattle being too big or small for the box. When you get down to the meal, we've got cattle that might fit the box perfectly, but don't fit the meal." He added that many cuts on the ends of the carcass, particularly big, monster cuts, are difficult to fabricate and haven't always

been fabricated in a consumer-friendly manner. To fit small households, Ames said we must improve fabrication to market products that fit the 3 oz. serving size (approximately the size of a deck of cards) recommended by most health groups.

•Convenience-orientation — Beef needs to be packaged in an attractive package that is easy to heat and eat. Too much product is still marketed fresh and in a cut that is hard for today's consumer to know how to prepare. Consumers want home meal replacements — "Bundled meals that are ready to take home and pop in the microwave oven."

•Variety — Most beef is not a steak item. The challenge will be to merchandise the non-steak items through different channels, providing more options to fit the ethnic and socially-driven preferences of consumers. He said some options will require a different cutting style and a different part of the animal.

Although Ames said producers cannot make the beef industry consumer-focused, they can play a role in management and technology to provide a better product to packers. Ration, time on feed, age at slaughter, pre-conditioning, age at castration, and implant protocol all have a result on the end product sold. He said producers must think proactively: choose a genetic plan and stick to it, determine what works in the operation and produce it consistently, practice beef quality assurance programs, concentrate on low-cost production, avoid extremes in production and cattle types, and form marketing alliances.

Marcine Moldenhauer, value-added procurement program manager for Excel Corp., said the packing industry is undergoing new grading technology that will provide more accurate yield and quality grades in the future. She identified several obstacles for the beef industry.

•Yield grade discounts —

She predicts that current \$1-3 discounts for upper Yield Grade 3 cattle will increase to \$8-10 discounts in the future, and Yield Grade 4 and 5 cattle will receive \$20-30 discounts.

•Maturity — Cattle should typically be slaughtered between 13-18 months to fall into the "A" maturity grade. However, many young cattle are showing signs of advanced maturity due to factors such as geographic area, poor health, poor nutrition, genetics, water, and abuse or misuse of implant programs.

•Percentage of cattle reaching Prime quality grade — Only 2.5 percent of cattle slaughtered receive a Prime grade. However, the National Beef Quality Audit said seven percent of cattle could reach this grade without a decrease in price and value. "If you've got some of those Prime cattle out there that are yield grading 1, 2, or 3, you need to now about it," she said.

•Dark cutters — Producers must select for disposition, as well as provide proper health techniques and an adequate nutritional level, use implants properly and provide adequate water before shipping. She said one steer with a disposition problem will usually affect four

to five other steers in a 100-head pen.

•Misfits — "Fifteen years ago, we probably had 45 carcass buyers across the United States that bought out cattle," she said. "Today, there are basically 10." Buyers are becoming more selective in what they buy, and are turning away cattle that are too light, too heavy, Yield Grade 4 or 5, dark cutters, heiferettes, too mature, or have discolored fat.

•Carcass damage — She suggested that producers be aware of factors such as injection sites and broken needles left in cattle; bruises; measles or blister beef (caused by ingested feed contaminated by a human carrier with tapeworms); pathology (liver condemnation); and hide damage due to mud, urine, branding, insect damage, and grubs.

•Consistency in meeting carcass targets — Moldenhauer recommended an ideal carcass target of 625-800 pound carcass, 12-13 square-inch rib eye area, and 3-4 inch of backfat.

She summarized her action plan for producers with three main points: 1) measure performance and carcass traits, 2) develop a written business plan, and 3) "participate. If you don't participate, don't complain."

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