

THE CATTLE BUSINESS IN VOLITILE TIMES

By Loren Berger

Is this just a “flash in the pan”, or are we in a new era in production agriculture? Many experts have kicked around that question recently. The consensus of opinion seems to be that the future looks very profitable for the beef business. For the cow-calf man the market fundamentals could not look brighter. We are now in a global market and the demand for what we produce seems to be rapidly increasing.



Here's one example. China is enjoying an improvement in their standard of living and as incomes rise so does their desire for beef. Currently the average Chinese consume only 6 pounds of beef per person annually. With a population of more than 1 billion people, an increase of one pound per person would consume all the fat cattle fed in Nebraska.

Certainly the picture is not all rosy. The U.S. and world economies are struggling, and the cost of inputs for beef production has dramatically increased. While there is risk, the profit opportunities for the cow/calf producer have never looked better.

How to Take Advantage of the Opportunities

The fundamentals of profitable beef production really haven't changed. Those who produce the most dollars with the lowest unit cost of production still reap the greatest rewards. A simple, easy to manage crossbreeding program can improve both without any additional input cost.



The Advantages of a Crossbred Cow

The economic advantages of a crossbred cow over her purebred counter parts has been documented all over the world. Her increased fertility, longevity and lifetime productivity increases her total \$\$ output while reducing the input cost due to fewer replacement being required to maintain the

cowherd.

Past studies have concluded that the crossbred cow generates an additional \$100/year return compared to the straight-bred cow. That amount is even higher with current cattle prices! ***With no added cost, can you beat that return on your investment?***

Her crossbred calf also has a distinct advantage. By combing breeds that complement each other, you sell more pounds. Adding a 25% infusion of Simmental genetics into

your Angus cattle, reduces fat, decreases YG 4's and increases REA, giving you greater value in the feedlot and on the rail.

Using Hybrid Bulls Can Easily Solve the Problems of Traditional Crossbreeding

You may ask, if crossbreeding is such a “no brainer”, why are there so many straight-bred commercial cows? The answer varies, but the difficulty of managing a traditional crossbreeding program using purebred bulls is often the reason.



1/2 Angus 1/2 Simmental bull

Using hybrid bulls can easily solve this problem. By selecting the breed combination that fits your resources and marketing plans you can maintain hybrid vigor and the advantages of breed complementarities in your herd while managing it like a single breed.

For example, if you think a $\frac{3}{4}$ Angus $\frac{1}{4}$ Simmental (Black or Red) combination best fits your resources and marketing plans, you can stabilize your herd at that combination by using $\frac{3}{4}$ Angus $\frac{1}{4}$ Simmental bulls for several generations.



$\frac{3}{4}$ Red Angus $\frac{1}{4}$ Simmental

What are Herdmaster Bulls?

We call our hybrid bulls, “**Herdmasters**”. They are $\frac{1}{2}$ or $\frac{3}{4}$ Angus (Red or Black) with the balance being Simmental. The frame size is 5-6 and they are bred to be easy fleshing, high capacity meat wagons.

We performance test the bulls here at the ranch in large pens and they are developed with their future usefulness as the top

priority. We currently have 200+ on test. Our annual bull sale is the second Saturday in February when we will be selling 150 bulls. They are semen checked prior to the sale and we offer free delivery to Nebraska and surrounding states.

Our desire is to serve our customers by helping them select the best bulls for their operation. If you have questions about how our bulls might work for you, we would be delighted to visit with you.

Loren

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