



Marketing Update



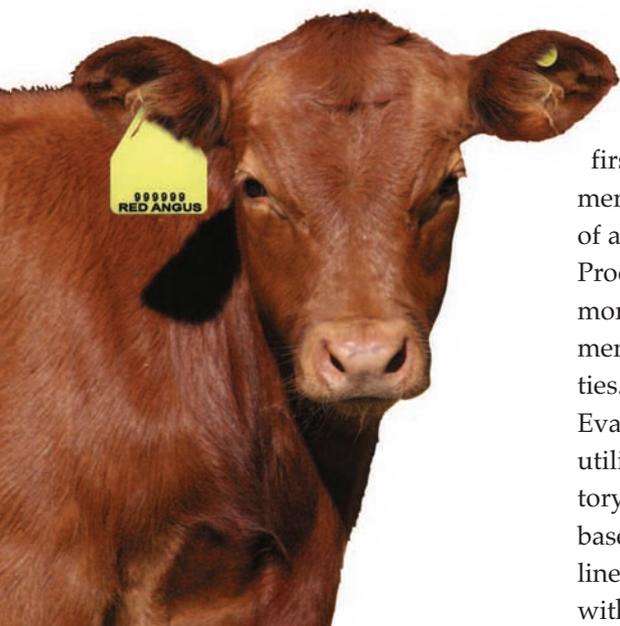
CERTIFIED RED ANGUS

Pro-Cow

by Greg Comstock, RAAA Marketing Programs Coordinator

The Industry's First Source Verification Program Adds Age!

With a dozen years' experience in providing Source Verification to the ranch of origin, and USDA audited traceability to Angus genotype, the Red Angus Feeder Calf Certification Program (FCCP) recently expanded market access for its customers with the addition of Group Age Verification.



The FCCP was the beef industry's first Process Verified Program (PVP), and over the past decade has involved over 2,000 producers who have collectively enrolled over a million head of cattle. Many of these producers will notice changes in the program when they enroll their Fall 2006 or Spring 2007 calf crops. The first of these changes is the enrollment process itself, which consists of a new "Supplier Evaluation Process". Although this process is more in-depth than the prior enrollment procedure, there are similarities. For instance, the Supplier Evaluation Process will continue to utilize customers' bull purchase history stored in the Red Angus database to verify Red Angus bloodlines. As the only major beef breed with more than a decade of total herd reporting (THR) data, Red Angus enjoys virtually 100 percent transfers of ownership on bulls sold to commercial customers. Thus, THR provides Red Angus with a major advantage in the implementation of source and genetic components of Red Angus' PVP.

The obvious difference producers will encounter with the new process

is the addition of a brief interview where Red Angus Marketing staff and the producer discuss breeding and grazing management practices, as well as date of birth records and documentation of birth and breeding records. In all, the Supplier Evaluation Process should take about ten minutes. It is the intent of Red Angus Marketing Programs to minimize the "red tape" producers encounter when accessing value added markets, so they can concentrate on producing superior Red Angus feeders and marketing them to their best advantage.

The second change mandated by USDA is that cattle be enrolled (tagged) at the ranch of origin. Cattle can not be enrolled (tagged) by feed yards, stocker operations, or sale barns - even if they are hosting a "Special" Red Angus Feeder Calf Sale. The new requirement means that when they leave the ranch without being enrolled (tagged) - they lose their eligibility for the program. While this may be an inconvenience in the short term, it will ultimately favor the cow/calf producer. After all, the rancher will only be paid for value that is added prior to selling their calves.



- Traceability to at least 50% Red Angus Bloodlines
- Source Verified to Ranch of Origin
- Group Age Verified

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A final change focuses on the auditing procedure. In the past, Red Angus Marketing staff performed random on-site audits of participating herds, which focused more on the cattle themselves for appropriate use of the ear tag and typical Red Angus appearance. However, now the emphasis of the audits will be on the producers' management practices and supporting documentation.

While the last 12 months have seen the emergence of several new age and source verification programs, the Red Angus FCCP remains the one that combines Age and Source regulatory compliance with genotypic access to Angus product lines and value added marketing services, which include:

- USDA approved verification of Angus Genetics
- USDA approved Source Verification to ranch of origin
- USDA approved Age Verification for group age



- Source and Age premiums available through branded products

- Access to value based grids and Angus product lines
- Documented Age/Source to supply Export Demand
- 99¢ visual tag with unique sequential/traceable serial number*
- \$3 "combo" tag option - packages visual tag with RFID tag*
- RFID tag uses USDA NAIS approved Digital Angel technology

* Pricing during annual tag sale (Dec. 1st through March 31st)

While we realize the new procedures will add to producers' time commitment during enrollment, the process and database have been designed to provide Source and Age verification solutions for Red Angus bull customers while minimizing the regulatory "red tape" required to access premium markets. ■