



Marketing Update



CERTIFIED RED ANGUS

Pro-Cow

by Ron Bolze, Commercial Marketing Director and Greg Comstock, RAAA Marketing Programs Coordinator

Too Good To Be True?

This phrase is often used in association with a situation that is so favorable that it defies common logic or common occurrence. By the time you read this, many of you will have already read about and/or heard about the early results from this summer's cattle video sales. As in numerous recent years, Red Angus influenced calves and feeder cattle have set the standard for others to attempt to emulate. Certainly supported by projections of a record corn crop and a fair bit of optimism from the cattle feeding sector driven by conservative feeder cattle supply estimates, feeder cattle prices have surpassed many economists' projections. But wait, it would appear that not all feeder cattle are created equal. Early reports from the video sales would indicate that the most discriminating buyers have been willing to pay premiums, not just for Red Angus influenced feeder cattle, but more importantly, significant premiums for Certified Red Angus feeder cattle identified with the Feeder Calf Certification Program (FCCP) tag. Let's take a look at some of the market topping sets of cattle that traded during the July/August video sales.

Superior Livestock Auction Video

Superior "Week In The Rockies", July 9-14, 2007

John Price, Price Ranch, Deer Trail, Colo., sold 650# steers for \$139 fetching in excess of \$900 per head. When asked what contributed to the demand for his cattle, John responded *"I like how the Red Angus Marketing Programs have enhanced the value of the Certified Red Angus feeder cattle. Our cattle carrying the FCCP tag have brought additional demand from buyers for many years because they know what they are buying"*.

Neighbor John Hanks, Hanks Ranch, also from Deer Trail, Colo., sold 590# steers at \$137 grossing over \$808

per head. John shared sage advice with *"A majority of feeder cattle nationwide are now black hided as many breeds have attempted to make their cattle black. As a result, many feeder cattle buyers no longer have confidence that they are buying Angus. In contrast, feeder cattle buyers know that cattle carrying the FCCP tag are Red Angus and they have more confidence in the feedlot performance and carcass characteristics associated with Certified Red Angus cattle. It's all about breed identity"*.

Northern Livestock Video

Northern "Early Fall Preview, August 20, 2007

Jim Fitzhugh, Fitzhugh Ranch, Douglas, Wyo., sold #680 steers for \$127.50 grossing around \$867 per head. The 625 # heifer mates sold for \$132.10...around \$820 a pop. In response to their FCCP tagged, market topping cattle, Jim and Dana Fitzhugh stated *"Cattle feeders are attracted to FCCP tagged cattle because it gives them another high quality, grid marketing option through Cargill Meat Solutions' Angus America. A \$1 investment in the tag has probably returned \$5-6 per hundred on our cattle through our years of participation with the FCCP program. In addition, our heifers have received great acceptance because the buyers know that they are Red Angus and not just red hided."* At this same video sale event, the Luger Ranch's 550# heifers at \$134 caught great attention at \$737 each.

Long time Red Angus supporter, Roger Jacobs, Jacobs Livestock, Billings, Mont., comments on the value of Certified Red Angus feeder cattle with, *"The FCCP tagged Red Angus calves have once again topped the Northern summer sales. Buyers have confidence in Red Angus finishing at a uniform time and weight with the ability to grade a high percentage choice and prime. If you can demonstrate uniformity and quality in the video you present, I believe the FCCP tag can add \$5 per hundred weight*

on a set of calves. It won't make that difference on the ordinary ones, but put it together with quality and you'll ring the bell every time. I think the biggest reason for the premiums paid is that buyers know they are Red Angus along with the predictability and consistency that goes with that".

Western Livestock Video

Little America Hotel, Cheyenne, Wyo., August 13-14, 2007

Numerous lots of Certified Red Angus steers found great market demand. The heifer mates often outsold the steers per pound, indicating great appreciation for the range capabilities of the commercial Red Angus female.

- Joe Patterson Ranch Corp., Douglas, Wyo., 550# steers @ \$133.50 (\$667) and 465# heifers @ \$136.25 (\$633).
- J P Werner and Sons, Lusk, Wyo., 565# steers @ \$133.25 (\$753).
- Patrick Bros., Lingle, Wyo., 520# steers @ \$138.50 (\$720).
- Kinchen Ranch, Lusk, Wyo., 510# steers @ \$137.50 (\$701).
- Johnson Red Top, Veteran, Wyo., 500# steers and 485# heifers (mixed) @ \$135 (\$669).

Many of these lots were represented by Torrington Livestock Markets, LCC, whose owner, Lex Madden, offered the following thoughts: *"The Red Angus Marketing Programs do a tremendous job enhancing the value of Certified Red Angus cattle. These efforts are both progressive and aggressive and, as a result, commercial users of Red Angus genetics can count on repeat buyers for both calves and yearlings in demand by cattle feeders seeking age, source and quality premiums. The Red Angus progressive marketing strategy has also resulting in ever increasing demand for commercial Red Angus females."*

Many would argue that these summer video auction results are "too good to be true". Hardly. Just ask those that sold Certified Red Angus cattle through the Red Angus FCCP. ■