



Marketing Update



CERTIFIED RED ANGUS

Pro-Cow

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

Competitive Bidding Without Leaving the Ranch

In today's era of ever increasing costs of production (feed, fuel, fertilizer, land values, etc.), common sense tells us to seize every opportunity to reduce costs while simultaneously enhancing the value of the product we have to sell. Commercial cattlemen using Red Angus bulls have taken the first step to enhancing profitability by utilizing the industry's most complete and balanced genetic package. Featuring the industry's first Maintenance Energy EPD (ME) to help producers with the expense side of the profit equation.

However, what about enhancing the value of the output side of the profit equation? Progressive commercial cattlemen using Red Angus genetics enhance the value of their production by enrolling their calves in the RAAA Feeder Calf Certification Program (FCCP). The FCCP is the oldest Process Verified Program (PVP) in this industry with USDA approved claims including genetics (at least 50% Red Angus), source to the ranch of origin and group age. As a result, Certified Red Angus cattle become eligible for significant premiums from the four major packers and cattle feeders, all with no more expense than the cost of a 10-15 minute telephone call to go through the Supplier Evaluation Process plus the cost of the FCCP tags. After the calves have been tagged at the ranch of origin, the producer merely returns the "Customer Enrollment Agreement" to the Red Angus office noting the range of tags used (use the tags in sequential order) and the birth date of the oldest calf. You can request a "Certificate of Compliance" that can be presented at the time of sale and go with the cattle at load out as proof of their age/source verification.

Historically, a number of Red Angus FCCP sales have been held primarily in October/November during large

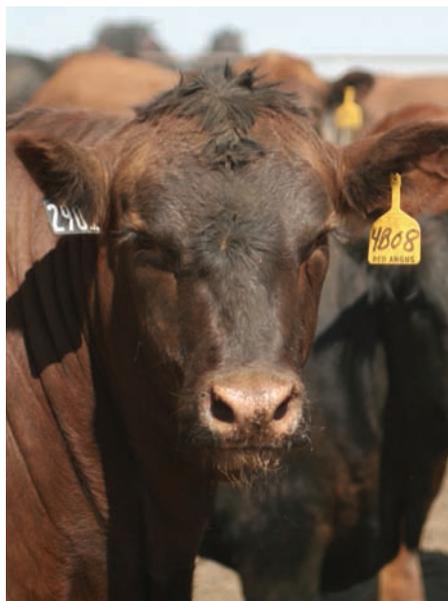
feeder calf runs and again in January for short yearlings. These sale barn efforts will continue, however, an ever increasing number of Red Angus influenced cattle are being merchandised through video auctions - competitive bidding without leaving the ranch. Advances in video technology have had a tremendous impact on beef cattle marketing, allowing producers and sale barns the opportunity to expose their cattle to a much larger potential buying audience, and through this, a stronger marketplace. Let's take a refresher course on resources available for video merchandising Red Angus feeder cattle.

Superior Livestock Auction broadcast their first video sale in January, 1986, and has grown into the world's largest video market-



ing company. Superior's

General Manager, Jim Kelley, feels there are several reasons for the growing popularity of this marketing tool. Like all auctions, Superior Livestock Auction encourages competitive bidding for producers' cattle. However, Kelley believes it goes way beyond that, "...[the video auction] brings the right buyer to the right product while promoting your ranch to thousands of potential future buyers." Superior identifies Red Angus lots and specifies if they are source and age verified by the Red Angus FCCP in both the printed sale catalog and on the video screen. If you're already using Red Angus bulls, it is an additional advantage to use the Certified Red Angus tagging program and remove any



doubt buyers have about the genetic

makeup of the calves, plus it makes the calves eligible for potential age and source premiums.

At the request of a few forward thinking Red Angus seedstock producers from the western High Plains, the RAAA Marketing staff is coordinating with Superior Livestock Auction to attract more Red Angus influenced feeder cattle to the Superior "Big Horn Classic" in Sheridan, Wyo.,

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July 19-22. Red Angus cattle from region 2 (North and South Dakota, Montana, Wyoming, Colorado, Utah and Nebraska) will be grouped in the same section of the catalog and sold together in a special Red Angus section. This is certainly no attempt to pull Red Angus cattle away from other Superior video sale events, but rather an attempt to attract additional Red Angus cattle to this highly publicized event. Call 800 523 6610 for the Superior rep in your area
www.superiorlivestock.com

Although **Northern Livestock Video Auction**



(NLVA) is only in their fifth year of selling reputation northern feeder cattle via video and internet, they have true history with hi-tech marketing. NLVA President, Pat Goggins remembers, "I started the video method of livestock selling back in the early 1970's, and despite many comments and ideas from those who said it wouldn't work, it has gone on to be one of the most viable ways for people to sell their livestock. I've always felt that people who sell their livestock at home, under private treaty arrangements which does not create competitive bidding on their stock, are simply missing out on a great opportunity.

The RAAA Marketing Department is also working with NLVA to attract an increased volume of Red Angus influenced feeder cattle to the August 21 "Early Fall Preview", with the cattle selling from Billings, Mont. To consign cattle, contact Wayne Edmondson at 406 690 8745 or the NLVA video rep in your area.
nlva@billingslivestock.com

In 1989, California livestock dealers Ellington Peek and John Rodgers formed **Western Video Market** (WVM) as a means to help Western ranchers present their cattle to a national marketplace. WVM is a confederation of auction yards and bonded livestock dealers representing cattle producers from the Great Plains to the Pacific Coast. These participating sale barns serve as the sellers' reps. Auctioneers from participating sale barns actually sell the cattle represented by those barns. This is good news for sellers since Western's stable of marketing professionals includes eight World Champion Auctioneers. Two of those World Champion auctioneers, brothers Lex and Shawn Madden operate Torrington Livestock Markets in Torrington, Wyo., and are heavily involved in the two day auction held at Little America Hotel in Cheyenne, Wyo., in August. Lex believes that it is the rep structure that makes WVM unique among video auction companies, stating, "over 95 percent of [WVM's] reps are sale barn



owners. If a producer has a problem they are dealing with the sale barn reps one on one - not the entire WVM organization."The whole beef industry needs to shoot for high standards of quality, consistency and uniformity of the product...people will pay for quality. 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."
www.wvmcattle.com

Hodge Livestock Network Inc. (HLN) is a full service company selling stocker and feeder cattle in the Southeastern United States. Founded in 1982 by Lemmy Wilson and recently sold to Randy Hodge, HLN specializes in creating greater value for load lots of cattle accumulated from numerous smaller producers. HLN holds a video auction the first Thursday of every month selling from 40 to 100 loads per month with seasonal variation. The cattle are video taped and a catalogue is made available to all approved buyers prior to the sale. Bidding is conducted via telephone conference call.

Hodge Livestock Market, Inc.

To enhance the value of Red Angus influence feeder cattle and drive the demand for Red Angus bulls in the Southeastern states, the Red Angus Marketing staff has coordinated efforts with HLN to feature Red Angus influenced feeder cattle on the June 5th (for June and July delivery) and August 7th (for August and September delivery) sale dates. Additional value can be derived for these cattle if they are FCCP tagged as many of the HLN buyers are seeking cattle that are age and source verified - targeting packer premiums as fed cattle. Southeast Red Angus seedstock producers - now is the time to contact your commercial bull buyers to seize greater value for their Red Angus sired calves. What better way to keep them coming back to you for their next bull purchase.
(865) 414-7807 (Lemmy cell)
(865) 414-7801 (Randy cell)
www.hodgelivestocknetwork.com

We are truly blessed to have so many long standing, proven video choices in this country. Selling Certified Red Angus feeder cattle by the video auction method is a little like "having your cake and eating it too". How else can we achieve competitive bidding without leaving the ranch?