



Marketing Update

by Clint Berry

Our industry is in the heart of feeder calf season; the time of year that the majority of the calves raised throughout this country are marketed.

Most of those calves are marketed through local livestock auction barns, off the ranch through private treaty sales or over the various video sales held around the country. Due to the added volume of cattle offered, the feeder market endures a seasonal decline - typically occurring in mid Fall. This annual "ebb" in the market's tide is usually as predictable as its annual rise in the spring.

This year in particular, cattlemen have questioned the current drop in prices compared to the highs seen in July and August of 2008. The country's current economic condition has affected the confidence of buyers as feeders, backgrounders and investors have become cautious due to the volatile market. This includes the ups and downs of input costs and the uncertainty of our country's leadership in this Presidential election year.

While these factors have all pressured the market, the increase in supply is the primary anchor which drags prices downward. As this cycle is continually perpetuated, some cattlemen have learned to hedge their position by forward contracting their calves during more opportune markets - usually prior to the downturn. The actual delivery will occur later in the year when the calves have reached their predicted weights. Other producers have

changed their operation's calving seasons so that their calves are weaned and ready to market during the times in the production cycle when the supply is at its lowest. Each producer must decide which marketing and management practices they will adopt for their operations that will give them the best chance to receive the highest price annually for their calves.

Customers of Red Angus have access to marketing advantages that are designed to add value to their calf crop and assist them in receiving the best price regardless of the time they choose to market their calves. For 15 years the FCCP "yellow" tag program, which verifies a minimum 50% "Angus" bloodlines, group Age and Source to the ranch of origin, has added value to producer's calves. This program was the first in the industry to verify true "Angus" genetics by genotype versus simply using hide color to fulfill product line requirements. Cattlemen are currently receiving \$2 - \$3.50/cwt premiums for cattle meeting the Age and Source requirements that enable product to be marketed to the Pacific Rim countries. The potential for Red Angus FCCP enrolled cattle to supply "Angus" programs remains a significant driver in premiums received at the producer level.

To help stimulate interest in Red Angus influenced feeders, the RAAA developed the Red Angus Feeder Fax; a bulletin that is distributed to active buyers of Red Angus feeder cattle. Red Angus customers are encouraged to contact the RAAA office with the details of their calf



The Sale You've Been Waiting For!

See page 16 for details!



crop, vaccination history, genetics, management practices as well as the time and place the cattle are selling. This service is free to producers and is available regardless of the marketplace whether they're video sales, livestock auction barns or private treaty sales.

Our national cowherd is undergoing a period of contraction, however, consumer demand for our product remains strong, and export opportunities continue to improve. There is cause for optimism, which has been seen in the market's appraisal of Red Angus replacement females. The ProCow Program was launched in 2003 and is designed to draw attention to Red Angus females and add increased value to the heifer side of commercial producers' calf crops. The current demand for quality Red Angus replacements is intense, and to help connect buyers to sellers, ProCow remains a free marketing tool on the Red Angus website - redangus.org. Accessed through the Red Angus Stockyards, ProCow features Red Angus influenced replacement females for sale. ProCow is a free, quick and easy vehicle for sellers to promote the value of their Red Angus influenced genetics, or for buyers to locate those animals which fit their criteria closest to home.

If you would like to learn more about taking advantage of Red Angus Marketing Programs give me a call at the RAAA National Office (940) 387-3502, email me at clint@redangus.org, or try my cell at (417) 844-1009.

See y'all in the pasture! ■