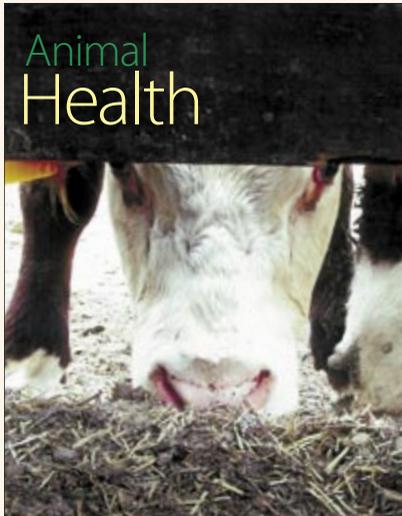


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HEREFORD WORLD

Published by the American Hereford Association

February 2008; Vol. 98, No. 9

Hereford Verified Provides Data, Premiums

Producers receive free data and financial rewards by participating in Hereford Verified.

by Angie Stump Denton

If you could participate in a program that could qualify your finished Hereford and Hereford-influenced cattle for a \$50 per head advantage, would you do it?

As the cattle and meat industries continually evolve, the Certified Hereford Beef® (CHB) supply chain faces new challenges to ensure product safety, quality and traceability. CHB LLC and the American Hereford Association (AHA) are providing ways to aid Association members and their customers to meet these demands.

In August 2005 the Hereford Verified program was introduced to fill the needs of the industry chain from the seedstock producer to the consumer. Simply put, Hereford Verified is a way for producers to benefit from CHB demand by validating the source, age and genetic make up of CHB-eligible feeder cattle.

Since the program's inception, 37,062 steers have been enrolled in Hereford Verified, and 13,504 have been harvested. Premiums paid to producers and feeders have totaled more than \$18,870. "The feeders/producers participating in Hereford Verified are getting about \$50 per head above commodity cash fed cattle trade," explains Jim Williams, CHB LLC vice president of supply.

The program is based on helping producers develop a profitable market for their cattle while building relationships between seedstock producers, commercial producers, feeders and the packer.

"Hereford Verified was created to fulfill many producer, feeder, packer and CHB LLC needs including supply assurance, supply growth, quality assurance and source, age and breed verification," Williams says. "The program brings together all facets of the beef supply chain — producers, feeders and packers — to create an open market, reliable supply of CHB-eligible cattle and pays real premiums to program participants."

Free data

If a bonus check and a guaranteed premium above the cash market do not spark producers' interest in the program, then free individual carcass data should catch their attention.

"The program provides an opportunity to measure and identify the strengths and weaknesses of cattle in a real-world feeding situation," explains Williams. "It can help producers identify genetics that work and improve them."

"The program has been a great stepping stone for producers wanting to qualify their cattle for

export product by using third-party QSA (Quality System Assessment) verification. Those who have not chosen to do QSA have taken full advantage of free carcass data on an individual basis."

Another great feature of the program is that it was developed to be easy to sign up; see "Hereford Verified: Creating value every step of the way," on Page 16.

Repeat participation

Williams says the program continues to grow — slowly. But the exciting fact is that approximately 75% of producers who enrolled cattle during the first two years have chosen to enroll cattle the third year.

"Those who have participated in Hereford Verified have been happy with the program and are repeating participation," Williams says.

One such repeat participant is the University of Arizona (UA). The university has enrolled cattle in the Hereford Verified program for three years. Dave Schafer, manager of UA's V Bar V Ranch, says he has been extremely pleased with the results from participating in the program. "I think it is a good marketing opportunity for people who raise Hereford or Hereford-cross cattle," he says. "The

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biggest benefit is the data. There is no way to lose when participating in the program — you receive data whether you retain ownership or not.”

The V Bar V Ranch is located in Rimrock, Ariz., three hours from campus and encompasses 80,000 acres. The 540-head cow herd, includes 150 registered Hereford cows. A majority of the commercial cows are bred to Hereford bulls.

UA enrolled 105 head the first year and 134 the second year and currently has 92 steers in the program. The first year the steers were fed at Supreme Cattle Feeders in Kismet, Kan., the last two years the steers have been fed at Ford County Feedyard Inc., Ford, Kan. Since it is a research herd, the university retains 100% ownership.

“Danny Herrmann and his crew do a great job feeding the cattle and their customer service has been great,” Schafer says.

When considering participating in the program, Schafer says the premiums paid were the biggest attraction. “Participating in the program more than pays for the tags,” he says. “There is so much more to gain down the road with genetic improvement. It’s a win-win program and money talks.

“Just participating in the program is not the silver bullet,” Schafer adds. “You have to take time and be committed to learn from participating in the program and make management and genetic changes based on the data you receive.”

Overcoming challenges

According to Williams, the biggest challenges with the program are high market prices and the unwillingness of some producers to commit a little time and effort to put extra money in their pockets.

Schafer says he thinks the biggest challenge to overcome is producers who fear change. “Grandpa did not have any other options,” he says. “If he would have had all of these choices that we have today, he would have taken advantage of them.”

As feeder calf market prices decrease, there will be more of a financial incentive to participate in programs such as Hereford Verified. “There is money on the table. Producers need to step up and get ready to take it,” Williams says. “Breeders who have foresight and vision and want to capture the money available will be able to do so if they are willing to document the management practices they have been doing for years.”

Hereford seedstock producers are encouraged to utilize the program as a customer service tool for their commercial cow-calf producers. AHA members can be the spokesmen for the program and help educate their customers about the opportunities available.

For more information about Hereford Verified visit HerefordVerified.com or contact Williams at (308) 222-0170.

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Hereford Verified: Creating Value Every Step of the Way

Here are the steps producers can follow to participate in the program. For more information, visit HerefordVerified.com or call 1-866-HerfNet.

Step 1: Enroll cattle

Visit HerefordVerified.com or call 1-866-HerfNet. Enroll cattle you intend to market

in the future by completing the online enrollment form. The form will ask a series of questions about the source, age and genetics of the calves you wish to enroll, as well as size, sex and preferred sell date of these animals.

This process will help us make your information available to participating feedlots. There are no obligations for enrolling your calves in the program, and you may do so at any time prior to marketing them.

Step 2: Purchase tags

Once cattle are enrolled, you will have the option to purchase radio frequency identification (RFID) tags for cattle through HerefordVerified.com for \$1.85 per tag. You may use any RFID tag to identify enrolled cattle; however, only the yellow tags purchased at HerefordVerified.com may be used to identify genetic-verified (50% Hereford) calves.

Step 3: Sell your cattle

Your enrollment information, including contact information and cattle description, will be made available to all participating Hereford Verified feeders. At your option, your cattle can automatically be listed on the HerfNet Web site. HerfNet.com is a free advertising tool for producers to market their feeder calves and commercial females on the Internet. A network of feedlots, which total a daily capacity of 1 million head on feed, consistently view available cattle on the easily accessible marketing tool.

Hereford Verified feeders are under no obligation to purchase any particular enrolled cattle. They have, however, committed to deliver a quota of program eligible cattle to the packer. Producers should contact these feedlots and/or their buying representatives to negotiate price and delivery terms.

Step 4: Feedlot receives cattle

Upon the cattle's arrival at any participating feedlot, all RFID tags are read and general lot information is recorded. The head count and physical description of cattle in the lot are noted in order to accurately portray those cattle on the official Hereford Verified affidavit. All data are submitted to the Hereford Verified database via the Internet. The Hereford Verified data system pairs the incoming feedlot information with existing enrollment data.

Step 5: Cattle feeding

Participating feedlots have committed to a monthly volume of cattle and must comply with National Beef's Quality System Assessment (QSA) program. The feedlot will make a record of all performance data — including pay weight, days on feed, average daily gain, dry matter conversion and health costs — to share with Hereford Verified.

If all program specifications are met, feedlots will earn a premium of \$12 per head above the weekly cash market.

Step 6: Harvest

Prior to harvest, Hereford Verified will provide National Beef with a list of qualified electronic identification (EID) numbers marking animals that are eligible for program bonuses. A qualified EID number is one that links to an affidavit signed by the producer and on file at the feedlot. To accurately award producer qualification bonuses, each RFID tag must be successfully read at the harvest plant and matched to records in the Hereford Verified database.

Step 7: Receive data and bonuses

Producers are paid a \$3 bonus on EID matches that were sourced from a Hereford Verified feedlot and harvested under an approved packer lot number. Hereford Verified generates a group summary report for each lot that successfully met all program requirements.

The report, complete with performance and carcass data, is sent to the original producer of the cattle along with a check for the qualification bonuses. Only one report is generated per lot. In the case of commingled cattle, all producers in the group will receive identical reports. HW

