

Taking Efficiency Seriously



Craig Huffhines

The National Western Stock Show (NWSS) proved to be another dynamic one as the 2005 and 2006 seedstock models were “rolled out on the showroom floor” for critical evaluation. Denver always reminds me of the great national auto shows where the Detroit and Japanese auto engineers roll out their brand new concepts in an effort to win the American consumer’s voracious appetite for luxury, economy, durability and performance.

Hereford breeders are in the same position as the auto engineers. As the mechanical minds design iron horses that are more efficient, cost effective and reliable, you engineer a cow product that produces heavy calves on fewer resources, bulls that will aggressively breed cows and get the job done for better than four years, and an end product that will appeal to the mainstream consumer.

As the high cost of fuel and American reliance on

foreign oil greatly affects the cost of transportation and the designs of fuel-economy vehicles, the beef cattle industry is affected just as dramatically, if not more dramatically.

Feed cost, fertilizer and eventually lease rates on grass are going to be affected and cow-carrying cost is going to be top of mind for at least those producers who want to remain in business. That makes me beg the question, “Are we as seedstock producers and Hereford breeders thinking about

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Strategy for AHA headquarters

Since the late 1800s, the American Hereford Association’s (AHA) headquarters has been located in downtown Kansas City. Each time the AHA moved from one location to the next within the downtown Kansas City corridor, it turned out to be an economic windfall for the organization.

For the past two years, the AHA has been told by city management that at some time in the future its current headquarters location would be a target for a buy-out to advance the city’s plans for an expanded and updated convention center, hotel and entertainment district.

A recent study commissioned by the city announced the demands for a 1,000-room convention center hotel located in close proximity to the existing Bartle Hall Convention Center. The AHA headquarters is located adjacent to the convention center. With all of the downtown economic developments, it appears that the city’s demand for the AHA site will come sooner rather than later.

It was announced at the AHA Annual Meeting in Kansas City last October that the AHA had purchased five acres along I-29 across the interstate from the entrance to the Kansas City International Airport and was holding an option on an additional five acres. The land purchase was part of a two-year plan to seek land investment options that could be used as a hedge for relocation should the AHA be forced out of its current location.

At the AHA Board meeting in Denver in January, the Board approved the execution of the option on the additional five acres completing a contiguous 10-acre tract along the interstate, which will be a highly visible and attractive location for a future building site.

Closing on the 10-acre property is projected to take place the first week of August 2007, when the developer is scheduled to complete a construction phase including rough grading, streets and utility infrastructure for an office park that is to have final approval by the city. Upon completion of the construction phase, the AHA will then close and become the owner of a development site that could house the AHA in a new facility should the downtown building be sold to the city or another hotel developer.

The AHA Board has discussed and evaluated other plans for the 10 acres as well. Obviously the AHA would not require a full 10 acres for a building site, so the Board discussed the merits of an office park that might house neighbors with similar interests such as other breed associations, biotechnology firms, or agriculture or food marketing companies. Controlling the 10 acres could potentially provide for synergistic relationships with other organizations that might benefit all of those involved.

The AHA Board has met with the American International Charolais Association to discuss possibly selling their organization 2.5 acres of the 10-acre tract.

Because they are already located in north Kansas City, it was agreed they would be a strong neighbor in a high-profile area. Neighboring with organizations of similar interest could lead to other futuristic discussions such as cost-sharing business facilities, computer technology or even technical people.

In an ever changing and consolidating industry, it is hard to tell what the business structure of not-for-profit organizations might be in the next five to 10 years. Therefore, the AHA Board is taking a very futuristic view by investing in land resources and developing relationships that might materialize into necessary business relationships in the future. **HW**

what type of cattle are going to compete in a cost-driven economy?”

The optimism for Herefords has been as strong as we've seen in years as evident by the record sale results at the Mile High Night National Hereford Sale in Denver and the continued strong demand for Hereford seedstock around the country. It's apparent the Hereford breed is taking a leadership seat within the industry when it comes to meeting these new challenges.

At the recent Cattle Industry Convention and Trade Show in Nashville, the discussion of renewable fuels dominated the hallway discussions and policy meetings. See the April *Hereford World* for highlights of the convention.

Folks in corn country are thrilled with the prospects of corn-based ethanol production and the tax-support structure Congress has put in place. However, not all cattlemen were enamored with the projected \$4-plus per bushel that ethanol production has created in the corn market.

Cattle-Fax reported that for every increase of 50 cents per bushel, a \$6-7 per hundredweight (cwt.) change was created in the feeder market. Exciting times for farmers could definitely create challenges for the cow-calf sector during the next few years. Wider price spreads between calves and yearlings are projected.

More calves will be put on wheat pasture or grass operations to put cheaper gains on before entering the feedlot. Shorter days on feed could affect the percent Choice carcasses across the industry. Genetics and management will be pressured to produce more pounds of calf per acre while reducing feed requirements. Is the Hereford breed ready for this demand?

The answer to that question is absolutely YES! The Hereford breed is poised to take on this challenge. Yes, we may need to moderate mature cow size a bit, but the genetics are there. Every *Sire Summary* generates more options for those who are taking a balanced approach to selection.

Two managers of the largest

corporately owned cow-calf operations — Matador Cattle Co. and Deseret Ranch — independently stopped by the American Hereford Association (AHA) booth at the Cattle Industry Convention asking about Hereford sires.

In both cases they asked me if I could identify Frame 5 Hereford bulls that would perform like a Frame 6. In both cases, they said the mature cow weights in their herds were getting too large.

We've all seen the trends from big to small, back to the giant and now the moderation movement. The tools are within this breed. If we want carcass quality, we can find carcass genetics. If we want moderate birth, fast growth, moderate size cattle they can be found in this breed. It will be up to you to design and engineer the genetic package that your customer needs. Thankfully the AHA's database, with more than 6 million animal records backing it up, will allow you to make those decisions. **HW**