

Why Hereford's Popularity Is on the Rise



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The economy, the cost of production, heterosis, animal welfare and human welfare are all “hot button” issues the beef industry is facing in 2010. So much so, these issues impact our way of life on the farm and ranch, the way we think and the way we do things that commercial producers are beginning to part with tradition and identify remedies for issues that affect them on a daily basis.

The Hereford breed has been identified as part of the solution for the time being, and one of every four cow-calf producers is saying that he is looking to incorporate Hereford genetics into his breeding program over the next three to five years. That estimation is a near doubling of the number interested in purchasing Hereford bulls compared to five years ago.

Reducing labor, safety issues

What are producers telling us they need that Hereford cattle are delivering? In a recent *Drovers-Vance* Publishing Internet survey, 880 producers responded from 45 states representing a median cow herd size of 51 to 100 cows. Their top four criteria for bull selection were: 1) disposition, 2) calving ease, 3) fertility testing and 4) breeder reputation.

Similar surveys conducted in both 2001 and 2005 revealed that the emphasis on disposition — an animal's combined attitude, stress level and ease of

handling around people — has risen dramatically in nine years, surpassing calving ease, weaning weight, yearling weight, fertility testing, and breeder reputation as a top trait in bull selection.

Yes, cattle must perform. Depending on the trait of interest, 60% to 90% of producers rated economically relevant traits as high priorities in selection including calving ease and birth weight, weaning and yearling growth, and carcass data, and all of those elements certainly support the importance of breeder reputation. (Provided that those elements are taken care of, producers are looking to reduce risk and labor problems in their operations. The average age of producers is not getting younger while human health and safety and the reduction in labor requirements are weighing heavy on the minds of most.

Anecdotally, the Hereford breed has a leading reputation as a breed with a mild and manageable disposition, which also has been said to be highly correlated with feed efficiency and beef quality.

However, because of a heightened level of interest, this trait must be documented further within the breed. Documentation will be particularly important as animal welfare issues continue to grow in concern among the consuming public.

The American Hereford Association (AHA) Board of Directors has made this

a major priority issue in the coming years, and you can expect a great deal of discussion regarding the documentation of disposition within the breed improvement committee.

Because of the importance that this trait now has, Hereford breeders should consider a zero tolerance policy for those animals that are troublesome. We've all seen the problem, we know what it is like, and there's only one way to deal with it.

Heterosis addresses economic question

In a February 2010 *Drovers* article “Making the Most of Your Crossbreeding System,” Kansas State University Animal Scientist Dan Moser reviewed the genomics literature that has unveiled differences in genetics among categories of breeds of cattle.

It has been widely known that *Bos indicus* influenced (Brahman-influenced) cattle were the most different from *Bos taurus* (British and Continental breeds) and, thus, when crossed with *Bos taurus*, generated the most heterosis (heterozygosity) as a result of the crossing of two breeds with vastly different genetic makeup. The end result dramatically influences the performance of traits that are the least heritable such as fertility, survivability and health but also increases those economically relevant traits that are highly heritable such as growth.

For some time it was thought that British breeds

(Hereford, Angus, Red Angus and Shorthorn) were very similar genetically and that the Continental breeds were likewise genetically similar but different from British breeds. However, modern genetic marker technology has mapped the genome of the respective breeds and determined that Hereford cattle are the most different among the *Bos taurus* breeds of cattle.

U.S. Department of Agriculture (USDA) meat animal research has reported for some time that Hereford cattle generate the most heterosis when used among *Bos taurus* breeds. Now there is empirical evidence through genetic mapping that validates the science further.

Science has supported the economics of heterosis for some time, but because of the increasing strain on the economy and the continued threat of rising fuel, fertilizer, and feed costs, the lifetime production and the cost of production of a cow are becoming overwhelmingly important. Old traditional selection themes such as straight breeding Angus, selection on color first before performance and single-trait selection for carcass quality are now being critically re-evaluated.

The Hereford breed now has the most to gain as selection pressure turns toward real factors driving profitability instead of the “\$10-per-head” premiums that black-hided cattle tended to receive in the past. Ten dollars per head is no longer good enough to keep producers in business. The lifetime heterosis impact of the baldie cow has been documented as producing eight to 10 times the economic incentive that’s been received from straight breeding black-hided cattle. Real economics is what’s driving Hereford’s resurgence.

AHA Board asks members critical questions

Nearly 2,500 AHA members received an online survey in April this year to help the Board formulate strategies for the coming years. The survey return rate was a terrific 22.3%, and the AHA Board and staff would like to thank all of you who participated in the membership survey.

Information technology, genomic technology, new media venues, social

networking and innovative marketing are all topics under constant evaluation by the organization. AHA will be working hard to develop systems that will make your life easier.

Fifty-five percent of survey respondents have been long-term breeders in the business for 20 years or longer. Over 23% have been in business less than 10 years, and 11.5% of respondents have been in the Hereford business for less than five years. Fifty-two percent of respondents were under the age of 55 while the average age was between 50 and 55 years of age

One of the more interesting and also encouraging demographic results was that 65% of respondents claimed to have multiple generations of family members involved in the business.

One third of respondents owned less than 30 cows, one third owned between 30 and 75 cows, and one third owned more than 100 cows.

Bull sales reported strong

Not surprisingly, AHA members answering the survey reported a steady increase in the demand for Hereford bulls. In fact, 46% of respondents reported an improvement in their bull market over the last five years, which supports the results of the *Drovers-Vance* Publishing cow-calf producer survey. Similarly, AHA members reported that female sales had improved during the last five years in 40% of the Hereford operations.

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Chart 1: How have your bull sales been recently compared to five years ago?

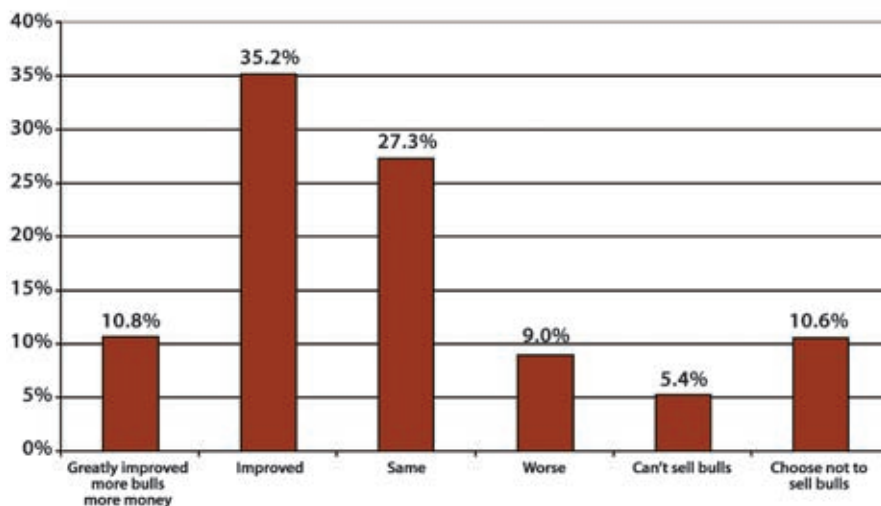
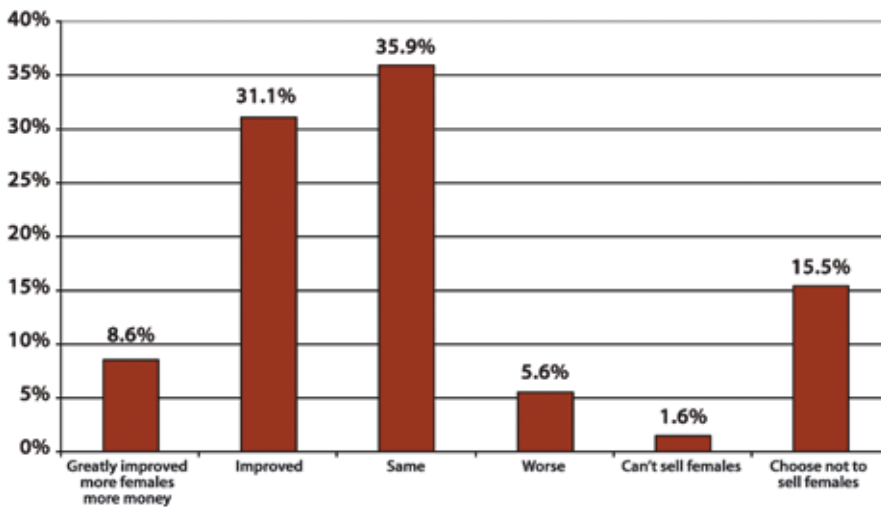


Chart 2: How have your female sales been recently compared to five years ago?



AHA's biggest challenges

Members were asked the question, "What will be the biggest challenges facing the breed and organization in the coming years?" The following issues were ranked in terms of highest concern followed by the percentage of breeders considering them to be a very serious issue:

- Meeting market share demands – 87%;
- On-farm operational costs – 72%;
- CHB program growth – 68.5%;
- AHA costs of programs – 67%;
- Record keeping – 62%;
- DNA technology – 61%;
- Growing membership – 58%;
- Shrinking commercial cow numbers – 50%.

Why a Hereford breeder?

Interesting to note: the top five things that Hereford breeders most like about being Hereford breeders are:

- 1) the challenge of animal breeding,
- 2) the people,
- 3) breed improvement,
- 4) producing marketable cattle and
- 5) marketing the cattle.

Deadlines, record keeping, and advertising were three of the least enjoyable things for Hereford breeders. While deadlines are a natural part of the registered

seedstock business and for that matter, production agriculture, the AHA Board and staff will be focusing on ways to make record keeping and advertising more user-friendly to breeders.

Top five ranked strategies

Breeders were asked to rank strategies and programs that they felt gave them and the Hereford breed the most benefit. The following were the top five strategies:

- 1) Promoting breed strengths
- 2) Feed efficiency research
- 3) Heterosis promotion
- 4) Genetic research
- 5) Branded beef promotion

The AHA Board reviewed the *Drovers* and member-survey data during a strategic planning session in April. During the coming weeks, the Board will finalize a new strategic plan including core strategies and an action plan. The final plan is scheduled to be printed in the September *Hereford World*.

AHA building update

During its April meeting, the AHA Board approved the drafting and submission of an option to the purchase agreement on the AHA property with the government of

Kansas City. The purpose of the purchase option on the property is to secure for the city a prime location for the future development of a downtown 1,000-room convention hotel and to establish a sale price and terms that will be mutually beneficial to the AHA and the city.

In May the city debated the merits of the Hereford site along with a second site one block north of the Hereford site, known as the Power & Light Building site.

Thus far, the city's preference has been the other downtown Power & Light Building site; however, there is still a great deal of debate among developers and other interested parties as to which site might suit the area and the project scope better. Thus far, there is nothing imminent regarding the sale of the AHA site, and at the present time the city has not executed the proposed option, but discussions are ongoing.

The 1,000-room convention hotel is projected to be a \$300 million project requiring a great deal of financing, possibly public financing. In today's economic climate, the likelihood of securing such financing may be remote. The AHA Board remains engaged in the process and is evaluating the situation as it develops. **HW**