



Expectations of a Seedstock Producer

Cow-calf profitability has and will always be the driving force behind genetic selection. Communicating the value of genetics to the commercial industry is what drives beef producers toward certain breeds or, perhaps in recent years, toward certain breeders of seedstock.

Historically, dating back to the 1950s, the only means for communicating value to the commercial industry was through phenotypic/live-animal evaluation. Typically, the best evaluators have been those who could artfully articulate their thoughts verbally. The livestock evaluator, otherwise known as the judge, became the authority in what was determined to be the value in seedstock.

Today, that business model has dramatically changed. Ranch managers have become much more sophisticated in the information they gather to make bull selection decisions. Market signals from the packer, feedlots, video marketing programs and alliance carcass grids proliferate the industry. Specification brands influence value through sale barns and direct markets.

Consumer influenced specifications such as hormone free, humanely handled or locally produced are gaining more market penetration. It would not be a stretch to say that the average cow-calf producer with more than 100 cows knows as much or more about his product than the average seedstock producer. In addition, the cow-calf producer relies heavily on expected progeny differences (EPDs) and the genetic predictions they represent.

This reliance on real information is fueling a race for accuracy in genetic predictions that will assure predictable performance, quality, efficiency and, ultimately, profitability. As far as phenotypic evaluation, well, let's just say cow-calf producers are, for the most part, relying on their seedstock suppliers to assure that the bulls they purchase are functionally sound.

What defines the reputation of an individual seedstock operation has changed as well through the years. In the days of the roaring 1950s until the early 1990s, show records determined

the credibility, perception and even reputation of seedstock breeders. Those who worked the hardest, spent the most money getting their cattle ready for competition and made the widest circle through the show circuit tended to have the best reputation.

Again, this trend has changed dramatically. Stock shows have become another marketplace to attract potential customers who love the competition. Those who are successful in that marketplace tend to also be successful in their "bread and butter" commercial marketing efforts. In short, the industry has become much more real-world. Technology is driving it, and it is likely to take much more of the guesswork out of genetic selection in the near future.

The reality of our beef business is quickly taking personality, perception and opinion of value out of the equation. In 2004 the bovine genome mapping project was completed at a cost of \$53 million. Today, we can whole genome sequence an animal for less than \$3,000. This fall, the American Hereford Association plans to release a new DNA panel that could potentially predict and account for upward of 50%

of the variation in the Hereford breed's most important economically relevant traits for a price of around \$50 per test.

The game is changing rapidly. We expect to predict feed efficiency with moderate to strong levels of accuracy within the next 12 to 18 months. These technologies will be made available to the entire seedstock industry and to all producers both large and small. The seedstock industry is about to take a quantum leap in information technology. Knowing this, it will be critical to understand where the Hereford breed fits within the industry and what type of cattle we must produce to raise the demand curve for Hereford genetics.

Come to Springfield, Mo., Sept. 4-5 for the 2014 Hereford Genetic Summit. We will have an opportunity to listen to and question industry experts on industry trends and what the expectations of a Hereford seedstock producer might be in the future. Let's understand how we can take that quantum leap forward in addressing industry-wide needs and how we can position the Hereford breed for the next decade. **HW**