Performance Matters

Exciting Opportunities in Sight

by ***Shane Bedwell***

A look into the new numeric values for profit indexes and into commercial opportunities.

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I would like to begin with congratulating the Van Newkirk family for their recognition as the Seedstock Producer of the Year at the 2018 Beef Improvement Federation (BIF) conference. It was great to see a legacy Hereford ranch receive this prestigious honor, and I would like to thank all Hereford breeders in attendance. In my opinion, this year's 50th anniversary of BIF was one of the best, as the information, techniques and thoughts presented will pay dividends for future improvements. Those of you who could not attend can access the proceedings at *BeefImprovement.org*, and I encourage you to dig into these papers for the latest innovations and ongoing research.

Profit indexes update

The American Hereford Association (AHA) will implement a slight change to the profit ($) indexes Sept. 3. This change has nothing to do with the economic assumptions or component traits that go into the relative weightings for these indexes. Rather, it changes how the $Index is expressed and, more importantly, changes how to communicate the difference between two animals for a specific index.

Last December, we introduced the updated genetic evaluation and added three key economically relevant traits into the $Indexes: Carcass Weight (CW), Dry Matter Intake (DMI) and Sustained Cow Fertility (SCF). These traits significantly drive profitability, which resulted in some reranking when comparing the current indexes to the old indexes.

Including CW, DMI and SCF traits increased the absolute value of these indexes dramatically. Currently, the indexes are scaled and, consequently, they do not reflect the true economic values. This change in scale was made to maintain familiarity between the old indexes and the current indexes we have today.

Going forward, the three $Indexes will be expressed on an economic scale showing differences between animals for their profit potential in respective scenarios. For example, an animal currently needs a value of 37 to be in the top 1% for Certified Hereford Beef Index (CHB$). The change of scale will increase the 37 value to approximately 130. When the index is left unscaled, it shows the major impact CW and DMI actually have on profit.

Additionally, when comparing two animals on the new scale, a $1 difference actually means $1. For example, when comparing an animal valued at CHB$ 130 to one valued at CHB$ 100, the resulting $30 difference means the animal valued at $130 will be $30 more profitable when marketed under the CHB$ definition.

The same applies for the Baldy Maternal Index (BMI$) and the Brahman Influence Index (BII$), but the economic scale is substantially bigger. The increase is a result of these two indexes predicting a female's profit potential over her lifetime, whereas CHB$ predicts profit potential per year.

Today, animals in the top 1% for BMI$ need a value of 33, which will increase to approximately 450 using the updated scale. This value is substantially different, but it is expressed over a female's lifetime and shows how fertility contributes to potential profit. BII$ will be on a very similar scale.

The bottom line is that this change to the $Indexes will not cause any reranking of sires or dams for the respective indexes. The only difference will be interpreting the new numeric values. Animals currently ranked in the top percentile for the breed will still rank in the top percentile Sept. 3. To the left are examples to help familiarize yourself with the index values.

Commercial opportunities

I would also like to discuss the commercial programs centered on the three AHA $Indexes. The AHA's three commercial programs — Hereford Advantage, Premium Red Baldy and Maternal Advantage — help to select Hereford seedstock and to market subsequent progeny. Logically, the AHA $Indexes serve as genetic qualifiers for these programs since commercial cattle profitability is the basic premise of these $Indexes.

Hereford Advantage recognizes commercial producers selecting Hereford bulls ranking at or above the top 50% of the breed for CHB$. As a result, progeny from these bulls should be equipped with the necessary feedlot performance and efficiency, as well as end-product merit, to warrant additional buyer attention and marketing exposure regardless of when they are marketed.

Premium Red Baldy recognizes commercial producers selecting Hereford bulls ranking at or above the top 50% of the breed for BMI$. Supported by the Red Angus Association of America, this female-only program promotes the unmatched quality of a Red Baldy female. Qualifying females are recognized with a special tag signifying their genetic promise of additional longevity, docility and profitability.

Maternal Advantage recognizes commercial producers selecting Hereford bulls ranking at or above the top 50% of the breed for either BMI$ (Angus-based) or BII$ (Brahman-based). This program promotes the superiority of the F1 female that results from the rotational crossbreeding system between Hereford bulls on either Angus or Brahman-based females. Qualifying females are recognized for their genetic promise of additional longevity, docility and profitability.

AHA is glad to provide these free tools help your operations succeed, and I hope you take advantage of these great commercial programs to help market your cattle. For more information visit *Hereford.org/commercial*. HW

Today's $Index values

	BMI$	BII$	CHB$
Top 1%	33	28	37
Bottom %	2	3	3

$Index values after Sept. 3

	BMI$	BII$	CHB$
Top 1%	450	533	168
Bottom %	36	64	11

Examples of new $Index values:

CHB$
Sire A: $130
Sire B: $100
Difference: $30

Explanation — Sire A will sire progeny that should be $30 more profitable when fed out and marketed on a dual-based grid when compared to the progeny of Sire B, if comparably mated.

BMI$
Sire A: $450
Sire B: $300
Difference: $150

Explanation — Sire A will sire daughters that are $150 more profitable over their lifetime due to their added longevity and/or their ability to raise more profitable offspring when compared to daughters of Sire B, when comparably mated.

Index refresher

The **Baldy Maternal Index (BMI$)** is a maternally focused index based on a production system using Hereford x Angus cross cows. Progeny of these cows are directed toward Certified Hereford Beef (CHB). This index has significant weight on Sustained Cow Fertility (SCF), which predicts fertility and longevity of females. There is a slightly positive weight on Weaning Weight (WW), Mature Cow Weight (MCW) and Milk (MM), which accounts for enough growth yet ensures females do not increase inputs. There is some negative emphasis on Dry Matter Intake (DMI), but a positive emphasis on Carcass Weight (CW), which is anticipated to provide profitability from finishing non-replacement females and castrated males. Marbling (MARB) and Ribeye Area (REA) are also positively weighted to keep the harvested progeny successful for CHB. This index is geared to identify Hereford bulls that will be profitable when used in a rotational cross with mature, commercial Angus cows.

The **Brahman Influence Index (BII$)** is a maternally focused index based on a production system using Brahman x Hereford cross cows. Progeny of these cows are directed toward a commodity beef market since CHB does not accept Brahman-influenced cattle. This index is similar in trait weighting to BMI$, but there is more emphasis on SCF and MARB. This is an all-purpose index where F1 females are retained and remaining cull progeny are marketed through commodity-based programs.

The **Certified Hereford Beef Index (CHB$)** is a terminal sire index based on a production system where Hereford bulls are mated to mature commercial Angus cows and all progeny are targeted for CHB after the finishing phase. This index places significant value on CW to ensure profit on the rail. There is a positive weight on Average Daily Gain along with a negative weighting on DMI to ensure efficient pounds of growth in the finishing phase. Keep in mind this production system takes advantage of complimentary breeding with the commercial Angus cow. Although MARB is weighted positively in this index, a positive weighting for REA and a negative weighting for Back Fat are greater priorities in this index to allow for optimum end-product merit. This is the only index that does not emphasize fertility because no replacement heifers are retained. HW