



The GAR REPORT

Fall 2007

PROUD TO BE A FOUNDING MEMBER OF U.S. PREMIUM BEEF

Editor's Note: This issue of The GAR Report features details of our 3rd Fall Bull Sale. The average EPDs and performance data on this set of bulls is remarkable. The sale catalog is posted online at www.gardinerangus.com. Please do not hesitate to contact us if you have questions regarding the sale offering.

We appreciate the Angus Journal granting permission to reprint Weaned Calf Value vs. Beef Value, written by Sally Northcutt. The \$Value indices have been widely embraced by commercial cow-calf producers using Angus genetics. Sally's article provides even more relevance to using \$Values as selection tools, regardless of end point.

Another article written by Dr. Larry Corah, Certified Angus Beef LLC and reprinted from the Angus Journal, documents compelling information for using high-percentage or straightbred Angus genetics. Dr. Corah's information supports our breeding philosophy regarding high accuracy and proven genetics. Maybe There Is A Reason offers "gate to plate" advantages for using straightbred Angus in a profitable beef operation.

Since 1998, GAR customers using our USPB delivery rights have received over \$2,491,743 in premiums and dividends. If you retain ownership, that's valuable marketing information!

Since 1885



The Brand of Quality in Quantity

If you have industry related questions or specific issues that may be addressed in The GAR Report, please submit to:

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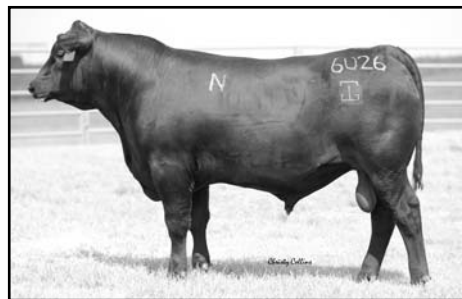
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3rd Fall Bull Sale, October 2, Offers 271 Lots of Versatility, Value and Proven GAR Predictability



LOT 1 • GAR PREDESTINED N6026

Ultrasound				\$Values	
BW 1+3.4	WW 1+50	%IMF 1+81	Fat 1+.028	SW +30.71	SG +34.96
YW 1+95	Milk 1+28	RE 1+.95		SF +35.01	SB +62.57

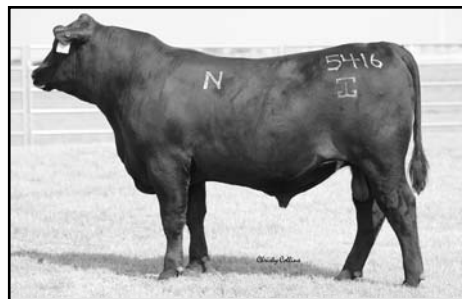
N6026 is a beef bull. He tabulates the important traits of beef cattle as well as any bull in our history. Predestined is one of the good bulls in the breed today. This is one of his best sons ever.



LOT 2 • GAR PREDESTINED N5876

Ultrasound				\$Values	
BW 1+3.4	WW 1+50	%IMF 1+90	Fat 1+.034	SW +30.80	SG +33.99
YW 1+95	Milk 1+28	RE 1+.74		SF +35.01	SB +61.60

My oh my! N5876 puts everything together magnificently from a muscle, and marbling standpoint to go with his admirable flexibility. +60 \$Beef index bulls are rare in the Angus breed; that is why we believe that Lots 1 & 2 offer immense possibilities.



LOT 4 • GAR 5050 NEW DESIGN N5416

Ultrasound				\$Values	
BW 1+3.3	WW 1+51	%IMF 1+44	Fat 1-.001	SW +24.38	SG +29.77
YW 1+100	Milk 1+27	RE 1+.96		SF +39.85	SB +58.72

Note the growth, muscle and marbling on N5416 who is a son of G A R New Design 5050 is one of the good bulls of the breed for calving ease, growth and end product merit. You will see more of his influence at GAR in the future.

The bulls that sell in our 2007 fall sale, Oct. 2, represent a total A.I. program with no clean-up bulls since 1964. We have only used progeny proven bulls in GAR sire selection since the very first sire summary was published in the fall of 1980. We use a great deal of discipline in our sire selection to produce bulls that provide GAR customers with the most predictable cattle possible. Using high accuracy bulls through A.I. is the only way to produce



LOT 5 • GAR OBJECTIVE N6156

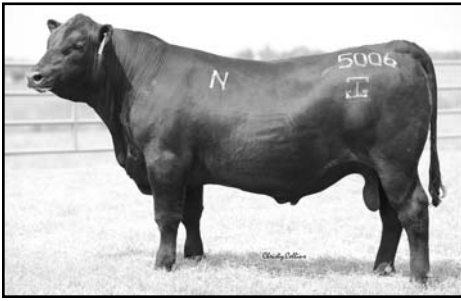
Ultrasound				\$Values	
BW 1+1.2	WW 1+62	%IMF 1+.65	Fat 1+.010	SW +36.02	SG++27.62
YW 1+114	Milk 1+29	RE 1+.29		SF +50.33	SB +59.31

Top 10% ranking for CED, with top 1% WW, YW, %IMF, SW, SF, and SB. Yes you can have a bull excel for multiple traits.

this type of bull. Using clean-up bulls or low accuracy A.I. sires only propagates genetics of unknown quantities. Premiums are paid now, more than ever before, for documented information! The best way for our customers to insure predictability is to use sons of progeny proven sires. We invite you to study the 271 bulls in our catalog. All are sons of the best bulls of the Angus breed.

Embryo Transfer is a technology that allows

If you have not received the Oct. 2, GAR Fall Bull Sale catalog and would like a personal copy, please call 620/635-2156 or email gar@ucom.net.



LOT 6 • GAR YIELD GRADE N5006

Ultrasound				\$Values			
BW 1+1.5	WW 1+51	%IMF 1+.54	Fat 1-.006	SW +31.24	SG +31.07		
YW 1+98	Milk 1+30	RE 1+.77		SF +37.74	SB +58.56		

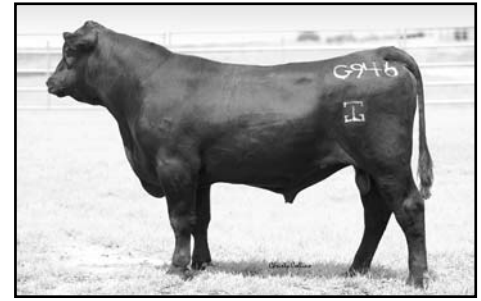
This Yield Grade son exhibits the traits that make YG so versatile. Calving ease growth and end product merit. Just like it is supposed to be.



LOT 7 • GAR RETAIL PRODUCT H5486

Ultrasound				\$Values			
BW 1+2.3	WW 1+48	%IMF +.65	Fat -.006	SW +29.24	SG +34.71		
YW 1+91	Milk 1+32	RE +.83		SF +31.68	SB +59.94		

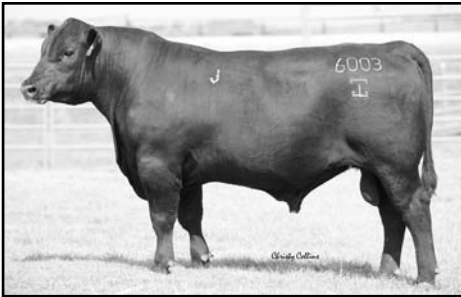
H5486 is a power bull by Retail Product x 1942. Muscle, marbling, agile structure all in that just right "package".



LOT 9 • GAR FUTURE DIRECTION G946

Ultrasound				\$Values			
BW 1+1.4	WW 1+44	%IMF +.88	Fat -.007	SW +30.70	SG +39.59		
YW 1+80	Milk 1+33	RE +.78		SF +22.13	SB +59.74		

G946 is out of one of the good cows of the Angus breed, G A R 1407 New Design 1942, the 11th ranked \$B cow of the Angus breed. Note his 143 ratio for %IMF.



LOT 11 • GAR MC TOTAL J6003

Ultrasound				\$Values			
BW +1.5	WW +68	%IMF +.62	Fat +.011	SW +37.67	SG +30.86		
YW +113	Milk +35	RE +.87		SF +46.71	SB +62.71		

MC Total is one of the new stars of the Angus breed for growth, and end product merit. J6003 is the #1 \$Beef index bull of this sale. Note that when he started his feed test he went through 3 consecutive blizzards in a row just after he arrived from Ohio. This bull is a joint venture between GAR and Maplecrest Farms of Ohio.



LOT 12 • GAR PREDESTINED T5056

Ultrasound				\$Values			
BW 1+3.3	WW 1+47	%IMF +.61	Fat +.030	SW +28.14	SG +32.76		
YW 1+91	Milk 1+26	RE +1.18		SF +32.08	SB +59.08		

T5056 is one of the elite non-parent bulls of the Angus breed for muscle. Check out his +1.18 RE EPD which ranks him as the #1 RE bull of this sale.



LOT 13 • GAR PREDESTINED G516

Ultrasound				\$Values			
BW 1+2.3	WW 1+46	%IMF +.66	Fat -.002	SW +29.65	SG +33.47		
YW 1+90	Milk 1+23	RE +.60		SF +31.45	SB +58.62		

Moderate birth weight Predestined son that combines breed leading growth and end product merit. Note that this bull was a twin to Lot 17.

us to provide better genetics to our customers. This sale is almost exclusively the result of ET. These bulls were almost all raised in our ET cooperator herds. Each letter on the bulls ID would represent a different contemporary group raised in a different location. The bull's individual data is not comparable between contemporary groups, but the data is to be used to compare within a management group. Of course, as always the EPDs are comparable between all groups.

The bulls were fed for 97 days at Triangle H Feedyard, Garden City, KS. Their start weight was 807 pounds and out weight was 1280 pounds. The average daily gain on the 271 bulls was 4.09 lbs/day. The bulls had a very tough environment this year with multiple blizzards during their feed test. They had to endure a great deal of mud, snow and ice. Since May 31, all of these bulls except the "N" bulls have been running in section or larger pastures. The "N" bulls were fed 88 days and gained 4.85 lbs/day. All of the bulls were brought in on August 20 to be semen tested

and clipped for the sale. These bulls are hard and ready to go to work.

We believe it is interesting and important to note that the AVERAGE EPDs of the 271 bulls offered in the fall 2005 sale are: CED +9, BW +1.6, WW +48, YW +93, YH +.2, Sc +.01, Milk +27, CEM +9, \$EN -3.9, %IMF +.49, RE +.52, Fat +.007, \$W +29.05, \$F 33.78, \$G +27.16, and \$B +52.53. In comparison to our April sale bulls average \$Beef index of +50.33, the fall bulls have a \$2.20 advantage as a group with this important index. These EPDs are a good example of how GAR's "pounds in the correct package" selection process is working. It is interesting to note that the AVERAGE BULL IN THIS SALE ranks in the top 15% of the Angus breed for direct calving ease, the bottom 35% (lighter BW) for birth weight while these same bulls simultaneously rank in the top 20% of the breed for weaning weight, and their yearling weight ranks them in the top 11% of the Angus breed. Furthermore, this top percentile growth has been achieved in a package that is in the BOTTOM 30% of the

Angus breed for yearling hip height. These bulls have exhibited an acceptable birth weight followed by explosive growth to the endpoint which was their off test weight, while ONLY having an average adjusted off test frame score of 6.1. We expect these bulls to sire similar results in their offspring. The great news of the Angus breed is that we are able to select for efficient early growth cattle, while simultaneously selecting for superior end product merit. This sale's bulls have a %IMF EPD of +.49, a RE EPD of +.52. This places the sale bulls in the TOP 4% of the breed for %IMF, and the TOP 10% of the breed for RE. Finally, when you study where the bulls rank for the \$value indices it is interesting to note they rank in the top 13% for \$W, the top 10% of the breed for \$F, the top 5% for \$G, and top 2% for \$B. We believe these genetic predictions and indexes help to illustrate how we have successfully bred cattle with acceptable stature, growth and end product in mind.

Average EPDs of 2007 Fall Sale Bulls Selling Oct. 2

CED	BW	WW	YW	YH	SC	Milk	CEM	\$EN	%IMF	RE	Fat
+9	+1.6	+48	+93	+2	+01	+27	+9	-3.9	+49	+52	+007
	\$W		\$F		\$G		\$B				
	+29.05		+33.78		+27.16		+52.53				

Maybe There Is A Reason (or 10)

Economics drives genetic and management decisions in the beef industry

—Commentary by Larry Corah, Vice President, Certified Angus Beef LLC.
Reprinted with permission from the September 2007 Angus Journal.

In the early 1960s, excitement over the “new breeds” was starting to permeate the beef industry. Grown tired of the poor growth performance and “wastiness” of English breeds, producers welcomed change.

The effect of the Continental breed influx was staggering. By the next decade, registrations for Angus, Hereford and other English breeds were in a dramatic downward spiral. The new blood kept on coming until more than 80 breeds of cattle were being used somewhere in this country in the 1980s. The “rainbow” beef industry had been created.

Heterosis reigned supreme, and rightly so. Many of the nation’s leading animal scientists had proven its benefits, which were subsequently touted in every cattle forum over the years. Weaning weights were up, and reproductive performance was better, but a spoiler appeared on the horizon. Beef demand was headed into the tank, because the industry was not consumer-focused.

By the 1990s, technology was the knight on the white horse, carrying a banner that suggested postharvest carcass management could make all beef appealing. Efficiency was still the name of the game, and genetic pools of “composite” cattle provided a vector for breed complementarity to win that game for the united beef industry.

So now, seven years into the 21st century, why are we using fewer breeds of cattle, interest in composites is waning, and the calf crop is becoming increasingly black? We know heterosis is sound science, so why are straight-bred Angus cattle becoming the norm, not the exception?

Money. Economics drives genetic and management decisions in the beef industry. The consumer is the source of this money, sending loud and bright signals from the cash registers and card readers.

During the past nine years, Certified Angus Beef LLC (CAB) has conducted continual sale barn, packing industry and economic surveys while analyzing numerous other databases. Looking at the results of these studies, the answers become clear.

Here are 10 reasons behind the trend toward straightbreds.

1. Market value of calves

Our CAB sale-barn survey data — collected 17 times at 10 locations across the United States — shows that straightbred Angus calves top the market everywhere. In fact, we are having problems continuing the survey because it’s becoming difficult to find non-Angus or crossbred calves for comparison at

many locations. The Angus premium is \$15 to \$30 per head at comparable weights.

A recent University of Arkansas sale-barn survey sheds more light. Reported at the 2007 American Society of Animal Science (ASAS) meetings, it compares 2000 to 2005 sale-barn results on nearly 200,000 calves.

When evaluating breed effect, the greatest increase in price [\$3.26 per hundredweight (cwt.) from 2000 to 2005] was for straightbred Angus calves, ranking No. 1 for all breeds and breed combinations. The crossbred black baldies ranked second, but they only increased in value by \$1.53 per cwt.

2. Market value of fed cattle

Universally, feedlot managers will tell you that the easiest pen of cattle to sell is a set of straightbred Angus steers or heifers. The packers literally fight to get them, typically paying \$2 to \$5 per cwt. more than they do for other cattle on a live basis.

3. The CAB® effect

Until the late 1990s, there were almost no premiums for cattle that qualified for the Certified Angus Beef® brand (CAB®), even though the program was nearly 20 years old. Then it changed, and it changed rapidly.

Today, virtually all beef grids include CAB carcass premiums, with the range being \$3 to \$6 per cwt.; the 2006 average was \$4.50 per cwt., or about \$36 per head.

A biannual survey by our Industry Information Division shows that, during the last 10 years, packers have paid producers more than \$200 million in grid premiums, just for that CAB component.

Just this year (2007), Cattle-Fax evaluated the overall economic effect of premium programs like CAB and USDA Prime on the beef industry. Their data suggest an \$18- to \$20-per-head effect or a total annual effect of more than \$500 million per year for the past four years.

4. Grid marketing drives change

In the late 1990s, selling fed cattle on a grid was a rarity, but today nearly 50% of all cattle are marketed on a grid. By 2010, Cattle-Fax says that number could be 70%.

Carcass weight is the key economic driver, but close behind is quality grade. Those two factors account for 60%-80% of the variation in individual animal value. Straightbred cattle can deliver both.

Even in grid marketing, we still sell on a pounds-based system, but in our data, the CAB carcasses are heavier than average and got there just as efficiently as the rest.

(Continued on page 4)

Fall Dates Set for Age- and Source-Verified Calf Sales: AngusSource® & G³

The American Angus Association has set the dates for sales to market groups of AngusSource, Guaranteed Gardiner Genetics (G³) or other age- and source-verified cattle.

Commercial producers with age- and source-verified calves ready for market this fall are encouraged to mark these dates.

SPECIAL AGE- AND SOURCE-CALF SALE DATES:

September 29	Fort Scott Livestock Market, Fort Scott, KS
October 9	Woodward Livestock Auction, Woodward, OK
October 12	Woodward Livestock Auction, Woodward, OK
October 16	Stauton Union Stockyards, Stauton, VA (Virginia Angus Association Shen-Valley Angus Association (AngusSource Only).
October 18	Pratt Livestock, Inc., Pratt, KS
October 20	Fort Scott Livestock Market, Fort Scott, KS
October 25	Pratt Livestock, Inc., Pratt, KS
October 26	St. Onge Livestock Co., St. Onge, SD
October 29	Faith Livestock Commission Co., Faith, SD
November 1	Pratt Livestock, Inc., Pratt, KS
November 1	Russell Livestock Exchange, Russell, KS
November 8	Pratt Livestock, Inc., Pratt, KS
November 10	Fort Scott Livestock Market, Fort Scott, KS
November 13	Woodward Livestock Auction, Woodward, OK
November 16	Woodward Livestock Auction, Woodward, OK
December 6	Russell Livestock Exchange, Russell, KS

Participating livestock auction markets are currently taking consignments for calves that qualify for these sales. For further information, contact The American Angus Association, Ty Groshans, Director, Commercial Programs, 816-383-5193 or tgroshans@angus.org.

Since 1998, GAR customers using our USPB delivery rights have received over \$2,491,743 in premiums and dividends. If you retain ownership, that's valuable marketing information!

(There Is A Reason—Continued from page 3)

Because of the economic benefits of quality — without sacrificing weight — straightbred or high-percentage Angus steers commanded twice the net added value of Angus crossbreds in an Iowa State University (ISU) evaluation of Tri-County Steer Carcass Futurity (TCSCF) data (see Table 1).

Table 1: Net added value by percent Angus genetics

Net added value	% Angus		
	0-25	26-75	76-100
	Par	+\$26.40	+\$67.93

5. Emerging added value of quality grade

In the 1990s, a typical Choice-Select carcass grade spread averaged \$2-\$5 per cwt. In 2005 the spread was \$10.52 per cwt., and in 2006 it increased to \$13.88 per cwt. Despite some short-term variations, there is every indication that this trend will continue.

Overlying and compounding this support is the emerging added value of hitting the premium Choice target. In 1999 the spread between CAB and Choice was virtually \$0. In 2005, it was \$6.61 per cwt., and in 2006 it averaged \$8.56 per cwt., based on Urner-Barry's weekly boxed-beef price reports.

That means, for an 800-pound (lb.) carcass, there is more than \$110 difference between Choice and Select and nearly \$200 difference when comparing a CAB-qualifying carcass to a Select carcass. It's all because consumers are spending money to indicate their desire for a quality eating experience. Clearly, they will pay for the privilege.

Simply said, crossbred cattle do not grade as well as straightbred Angus, as shown in Table 2 with the TCSCF data.

Table 2: Quality grade by percent Angus genetics

	% Angus			
	0-25	26-50	51-75	76-100
% Prime	0.4	0.7	1.6	3.1
% Premium Choice	9.7	18.2	21.3	34.3
% Low Choice	46	52.7	51.6	50.2
% Select	38.3	26.2	23	11.7
% Standard	5.6	2.3	2.6	0.8

6. Straightbreds outgain crosses in the feedlot

The age-old philosophy, handed down with the science of heterosis, has been that crossbreds outgain straightbreds. But genetic progress made by the Angus breed through extensive use of the expected progeny difference (EPD) tool has lifted the growth potential of straightbreds.

Evaluating feedlot databases, straightbred Angus calves outperformed the crossbreds. This is reflected in the analysis of the ISU database, where the daily gain advantage of straight- or high-percentage Angus calves was nearly 0.2 pounds (lb.) per day, resulting in added value of \$25 per head over the middle-percentage Angus calves (see Table 3).

Again, this is a testament to genetic selec-

tion by Angus breeders, using weaning and yearling EPDs.

7. Straightbred calves are healthier

Another piece of conventional wisdom has suggested crossbred calves should be healthier than straightbreds. "Hybrid vigor" should overcome the health problems prevalent in straightbreds. Current data suggest these assumptions are incorrect.

The incidence of health problems in the overall cattle-feeding industry is on the rise. The related higher death loss is an obvious drain on feedlot profits, but the hidden factor is a reduction in carcass quality grade because of poorer calf health.

Certainly, one of the key advantages of heterosis is added calf vigor. Yet, one of the key influencers of calf vigor is calving difficulty. In the 1980s and 1990s, calving difficulty in heifers was typically 20%-25%, while today most herds have reduced calving difficulty to less than 5% because of predictable birth weight EPDs (BW EPDs) in straightbred herds. Thus, today most ranches have fewer calving problems with straightbred calves than with crossbred calves.

Could straightbred calves actually be healthier than crossbred calves? To our surprise, a 2004 analysis of the ISU data said yes (see Table 4). This is now supported by information from two other databases. When comparing straight- or high-percentage Angus calves to Angus-cross calves, the ratio of those requiring treatment and the treatment cost were reduced by 25% to 50%. As with the cow herd, labor is a critical issue for feedlots, and sick cattle present challenges.

Table 3: Average daily gain by percent Angus

	% Angus		
	0-25	26-75	76-100
Feedlot ADG, lb.	3.05	3.12	3.29
Added value due to ADG	PAR	+\$10.48	+\$35.40

Table 4: Health and treatment by percent Angus genetics

	% Angus			
	0-25	26-50	51-75	76-100
No. cattle	1,697	1,275	852	1,787
% treated	31	21	12	11
Treatment cost/head	\$8.36	\$6.38	\$5.08	\$4.06
Death loss	1.36	.78	.94	1.12

8. Convenience

Without question, cow-calf operations are larger today, and labor is a constant challenge on all operations. A functional cow that

requires limited attention is a basic necessity.

Convenience, along with economics, is a key driver that leads toward creating a straightbred cow herd. Mating decisions and bull selection for the herd become easier, especially in the case of heifer mating, when breed is not a factor.

Most cattle farms operate herds with fewer than 50 cows, where use of a crossbreeding system is not easy.

Just as bull selection is simpler when limited to one breed, understanding one set of EPDs beats learning those of two or three bull breeds.

Ask any smaller cow-calf producer why he produces straightbred calves. Convenience is his first justification.

9. Reduced animal and carcass variability

When the 2005 National Beef Quality Audit (NBQA) results were published, variability of product was identified as a key industry challenge. Now that we understand beef demand is consumer-driven, we can't afford to have 10%-15% of carcasses with tenderness problems or lack of flavor because 50% of cattle grade Select or lower.

That same difference exists in live cattle. Examining data in an eight-year study on 25,000 calves at Triangle H Grain & Cattle Co. in southwest Kansas showed the top 25% of calves gained 4.14 lb. per day vs. 1.77 lb. per day for the bottom 25%. The average carcass weight variation within a pen was 293 lb., and the average carcass value variation, top to bottom, was \$459.14.

One of the best ways to reduce both carcass and live variability is to reduce the number of breeds used in a cow-calf operation and select bulls based on EPD values. Predictable genetics can solve much of our variability problem.

10. Heterosis is not free

The animal science community has created a philosophy based on the proven principles of heterosis—that of the "free lunch." Unfortunately, it may cost the industry more to pursue that freebie than to ignore its lure.

Setting aside the many offsetting advantages of straightbred predictability and value, the greatest economic value in heterosis is in the F1 female. However, that is a rare animal in the commercial cattle industry, especially

for smaller producers. Nobody can dispute the advantage of an F1 female, but look around most states and try to find or buy them. You

(Continued on page 5)

(There Is A Reason—Continued from page 4)

probably can't because of the added labor and expense of creating them.

In most herds trying to use heterosis to their advantage, the two- or three-breed rotations result in a loss of at least 30% to 50% of the potential heterosis value of an F1 female. Worse, the genetic merit of progeny from those programs often crosses the line between hybrid and mongrel.

Don't feel guilty

In a recent chat with someone I consider a progressive cow-calf producer, he said, "I am weaning 650-pound calves, selling them for a nickel a pound over market and achieving 97% pregnancy rates. And yet, I feel guilty. I am not very progressive, because I am doing this with straightbred cows, not crossbreds."

Well, that's a natural feeling that comes from operating for 20 years in a commodity-oriented industry that still resists some easy answers to consumer focus. But there is no reason to feel backward or guilty, nor indifferent to a supposed free lunch.

In today's consumer-driven markets, straightbred cow herds are making sense (dollars and cents) for many, many astute cattlemen.

Today, the economic driver in the beef industry is the consumer. The resulting genetic makeup of today's cow herd reflects that effect.

GAR-Influenced Commercial Female Sale Dates

Profit Proven GAR-Influenced Commercial Replacement Female Sale
Pratt Livestock Auction, Pratt, KS
Monday, November 26, 2007
1,000 Head Sell

Hinkle's Prime Cut GAR-Influenced Commercial Replacement Female Sale
Fort Scott Livestock Auction, Fort Scott, KS
January 29, 2008
750 Head Sell

These sales will feature young commercial replacement females sired by or bred to Gardiner Angus Ranch sires. The Profit Proven Group consists of long-time Gardiner Angus Ranch customers representing diversified ranching operations. The Hinkle's Prime Cut Sale offering will feature Hinkle and GAR commercial customers from SW Mo, SE Ks and NE Okla.

GAR 29th Annual Production Sale

Sat., April 5, 2008
At the ranch near Ashland, KS

Weaned Calf Value vs. Beef Value

—By Sally Northcutt, director of genetic research, American Angus Association
"By the Numbers", reprinted with permission from the September 2007 Angus Journal.

After each new National Cattle Evaluation (NCE) release of updated expected progeny differences (EPDs) and dollar value indexes (\$Values), continued interest in the Angus beef value (\$B) is very evident. The \$B is popular but is sometimes misinterpreted as to the traits it encompasses. In the process, the weaned calf value (\$W) and its component parts are overlooked.

\$W vs. \$B:

One thought to keep in mind when comparing the two selection indexes, \$W and \$B, is that they differ in terms of "maternal" vs. "terminal" focus. Various EPDs and economic assumptions used to arrive at the \$Values are indicators of how traits relative to the cow-calf operation will be affected by future selection choices.

\$W has maternal contributions figured into its calculation. For many commercial cow-calf producers who sell calves at weaning, the \$W has attractive features. It simultaneously combines revenue generated from the calf crop with expense adjustments for maternal milk

enced by selection emphasis solely for \$B. Terminal selection emphasis implies that all calves go to market; replacement heifers are not retained. In simple terms, it is taking a weaned calf and looking only at value considerations during the feedlot and harvest phases of production. Thus, sire selection made strictly on \$B has no consideration for calf birth weights out of the sire or how future daughters are expected to perform for maternal milk or the effect of their cow size. To have any maternal considerations, other EPDs beyond the scope of \$B would need to be utilized in bull selection.

EPDs contributing to \$Values

Whether a herd breeding program uses either the \$W, \$B or both in the selection process, the important step is to have a plan on the production aspect being addressed, such as preweaning performance, postweaning and carcass merit, or a balance of traits. The \$Values were designed with the commercial bull buyer in mind to simplify the list of EPDs in consideration when making selection deci-

Base calf price	\$115 per cwt.	Updated from \$110
Cow/heifer mix	80%/20%	
Cow weight	1,300 lb.	
Feed energy cost	\$.060 per MCal NE _m	Updated from \$.055

Feedlot assumptions:		
Time on feed	160 days	
Ration cost	\$190 per dry ton	Updated from \$150
Fed market	\$84 per cwt. live	Updated from \$80
Grid assumptions:		
Quality components:		
Prime premium (above Choice)	\$8.00	Updated from \$6.00
CAB premium (above Choice)	\$3.50	Updated from \$3.00
Choice-Select spread	\$11.00	Updated from \$10.00
Standard discount	-\$15.00	
Yield components:		
YG 1 premium	\$3.00	
YG 2 premium	\$1.50	
YG 3 base	\$0.00	
YG 4 & 5 discount	-\$25.00	
Avg. carcass wt., lb.	816	
Heavyweight discount	-\$20.00	

*Updated values denote 2007 NCE components updated from previous NCE run.

and mature size from the genetics of the cowherd, as well as the weaned calf growth and maintenance requirements. It also has economic assumptions relating to replacement females retained in the herd.

\$B is more of a classic terminal approach. This would be best described as postweaning performance and carcass merit being influ-

sions. The EPDs considered for each index are outlined below.

EPDs contributing to \$W:

- Birth weight EPD
- Weaning weight EPD
- Milk EPD
- Mature cow weight and height EPDs

(Continued on page 6)

The GAR Marketplace

We frequently receive information regarding GAR customers wishing to sell cattle privately, through livestock auction markets or video. We do our best to assist our customers and match potential buyers with sellers. If you would like to list your GAR influenced genetics in our quarterly newsletter, please contact Mark Gardiner, 620. 635.2156.

131 AI Bred Comm. Heifers For Sale: GAR sired, AI bred to GAR Solution for 2 estrous cycles. Heifers have all been freeze branded with ID numbers, OCV vaccinated, and tested negative for persistently infected BVD. Current Avg. wt.: 975. For more information, please call the Kaltenbachs at 620-826-5134, or 620-635-2678.

125 Comm. Bred Females: GAR sired. 70 are AI bred to GAR Solution, May 1. 55 are bred to GAR bulls. For more information, please call Bruce Spare, Assaria, KS, 785-667-6903.

116 Northern-origin Comm. Angus Heifers. AI'd to GAR Solution, due Feb. 15, 2008. Safe. Also, 78 heifer mates bred to low BW Hinkle Prime Cut bulls. Bull-bred heifers bred to Hinkle-GAR calving ease bulls. Avg. \$B=\$45.74. For more information call Craig Dailey, Kearney, NE, 308-390-4730.

GAR Influence Cattle Sold Through USBP Excel in FY07

A recent summary of 4,000 head of GAR influenced cattle using GAR delivery rights and selling through U.S. Premium Beef returned an average premium of \$62.79 per head over cash for Fiscal Year 2007. The cattle represented 14 different owners from across the country.

Summary of 4,000 Head Through USBP Using GAR Delivery Rights in FY 07

Ave. LW	HW	Yield	PR	CH	CAB	Premium/Hd
1223	777	63.49	6.5%	81%	28.55%	\$62.79*

*\$62.79 includes delivery lease right

Take advantage of added value with a G³ tag

The Guaranteed Gardiner Genetics (G³) Tag Program has been established to add value to Gardiner-influenced commercial cattle. Through IMI Global, Inc., the program also provides source and age verification using IMI's USVerified™ program. In addition, the G³ program gathers health and genetic information on enrolled cattle.

The Program Includes:

- Age verification (individual or group age)
- Source verification
- Cow herd make-up
- Breeding information (replacement females)
- Health/vaccination information
- Genetic information

Gardiner Angus Ranch offers a \$2.00/head credit in the sale for all cattle enrolled by a producer in the G³ program.

For further information regarding eligibility, enrollment and fees, please contact Mark Gardiner (620) 635-2760, gar@ucom.net or Julie Tucker at Graphic Arts of Topeka, (785) 354-8596 x115, GGG@gathh.com.

(Weaned Calf Value—Continued from page 5)

- Yearling weight and height EPDs (depending on the accuracy and availability of mature size EPDs)

EPDs contributing to \$B:

- Yearling weight EPD
- Marbling EPD
- Intramuscular fat EPD
- Ultrasound ribeye and fat EPDs
- Carcass ribeye and fat EPDs
- Carcass weight EPD
- Yearling weight EPD

Updated economic assumptions

Economic assumptions are used in the \$Value calculations to convert the genetic differences for various traits into units of dollars and cents. The Angus \$Value economic assumptions were updated in the Fall 2007 NCE, based on a three-year rolling average. Changes to the assumptions occurred in parameters for \$W and \$B.

The specific changes to \$B parameters are reflected in the feedlot and grid assumptions. The new economic assumptions are presented in Table 2. To learn more about feedlot (\$F) and grid value (\$G) indexes and their relationship to \$B as component pieces, go to www.angus.org or contact the Performance Programs Department at 816-383-5100.

Editor's Note: "By the Numbers" is a column by Association performance programs staff to share insights with Angus members about data collection and interpretation, the NCE, genetic selection, and relevant technology and industry issues. If you have questions or would like to suggest a topic for a future column, contact Sally Northcutt, director of genetic research, or Bill Bowman, director of performance programs, at 816-383-5100.

Plan now to join us Saturday, April 5, 2008, for the Gardiner Angus Ranch 29th Annual Production Sale.



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