



The GAR REPORT

Spring 2009

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

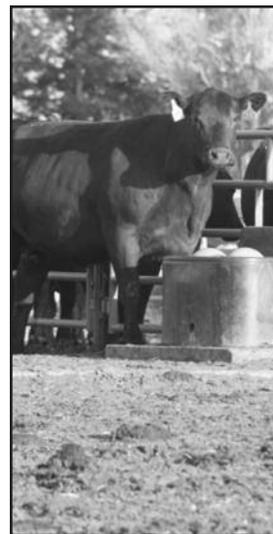
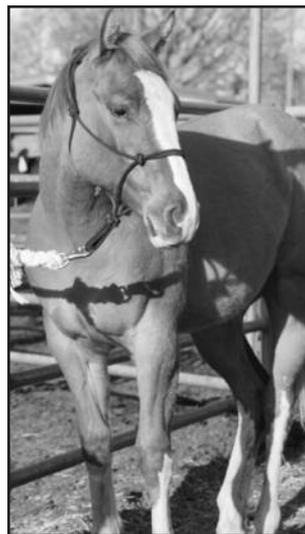
This issue of The GAR Report features a report on our 30th Annual Production Sale.

While you are receiving this via the U.S. Postal Service, many customers are also receiving the newsletter via email. The past several months we have seen a dramatic increase in traffic to our website. This spring we participated in our first webcast. Each day the email inbox contains more emails than the day before. Bottom line is the times are changing and changing fast. And, our ability to serve our customers successfully depends on frequent communication. We hope you will view our transition toward electronic communication positively.

Don't miss the report about the innovative new research, Southern Carcass Improvement Project. We're collecting embryos currently and will continue to keep you updated periodically.

Mark September 28 on your calendar for the 5th Annual Fall Bull Sale. The average \$Beef Value of the preliminary sort of the sale offering is more than +66.00. A tremendous offering of bulls backed by our personal guarantee.

30th Annual Spring Sale Offering Reaches 31 States and 262 Buyers



Since 1999, GAR customers using our USPS delivery rights have received over \$2.7 million in premiums and dividends. If you retain ownership, that's valuable marketing information!

Since 1885



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

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Getting to southwestern Kansas isn't exactly easy. Not many find Ashland, Kansas, on their way to anywhere. Yet, the first Saturday in April each year, country roads in Clark County come alive with traffic unlike any other time of the year. The traffic increased during the entire week prior to April 4, when 262 buyers from 31 states braced themselves against ferocious winds to make purchases in the Gardiner Angus Ranch 30th Annual Production Sale. A depressed economy, rising production costs and the overall impact of arthrogyrosis multiplex cannot be ignored. Yet buyers filled the seats in an obvious show of solidarity to a breeding program backed by unmatched integrity, an unconditional guarantee and commitment to the overall betterment of the beef industry.

The top selling bull was Lot 1, GAR Concrete, an Objective son out of a Grid Maker daughter. This young sire has been leased to Select Sires and was a joint venture between Gardiner Angus Ranch and Chair Rock, Prairie Village, KS. Half interest sold to Terry Eubank, Ashland, KS, for \$60,000. R.A. Brown Ranch, Throckmorton, TX, purchased the next bull in the ring, Lot 2, GAR Predestined 687L for \$18,000. This top young

herd sire posted a \$B value of +76.66, the highest ranking \$B in the sale. Blake Crawford, Adair, IA, had the winning bid for Lot 29, GAR Objective 5687, at \$12,000. Two bulls, Lots 20 and 26, sold for \$11,000 each to Glen Gisclair, Cut Off, LA, and Blake Crawford. Both bulls posted \$B values above +70. Cory Baker, Toronto, KS, stayed in the auction to take home Lot 48, GAR Objective 6557, another Objective son out of a Grid Maker daughter that sold for \$10,500. Two Objective sons out of Predestined daughters, Lots 4 and 5, sold for \$10,000 each to Greg Young, Keytesville, MO, and Harold O'Neal, Amarillo, TX. Another pair of Objective sons out of 1407 daughters, Lots 16 and 24, sold for \$9,000 each to Joe Mayer, Guymon, OK, and Clyde Moore, Whiteville, NC. Lot 111, GAR Objective V657, sold to William Little, Horn Lake, MS, for \$8,500. Ten bulls sold for \$8,000 to Joe Mayer; Irsik Land & Cattle, Kalvesta, KS; Jerry Malone, Boswell, OK; Bob Keifer, Guide Rock, NE; Harry Laws, Bueche, LA; Justin Busenlehner, Rowena, TX; Mary Lou and Roland Gengelbach, Plattsburg, MO; and Lynn Cowden, Skellytown, TX. Seven bulls sold in the \$7,500 range followed by 19 bulls

(continued on page 2)

selling in a steady market for \$7,000.

A donor that found many friends was the top selling female, Lot 417, GAR Objective 1885. This Objective daughter out of GAR 1407 New Design 2232 has a +70.17 \$B and top 1% of the breed for CW, Marb and RE. Chair Rock had the winning bid at \$48,000. The second high selling donors, Lots 418 and 419, each sold for \$35,000 to Jimmy Goode, Pampa, TX and William Evans, Stephenville, TX, respectively. Grand Bayou Farms, Dubach, LA, won the bidding contest at \$22,000 for Lot 421, GAR Predestined N35. This female earned her membership in the elite ranking of the top 15 cows in the breed for \$Beef Index. Two more donors, Lots 428 and 429, found new homes at Blackstone Farms, Stoughton, WI, and Southern Cattle Co., Marianna, FL on winning bids of \$20,000 each. John and Joanie Grimes, Maplecrest Farms, Hillsboro, OH, added Lot 426, GAR Objective 1485, to their donor arsenal with a final bid of \$16,000. W. Dudley Land purchased Lot 433, GAR Retail Product 2195, a female that combined tremendous phenotype and all the traits of economic importance into one package. She sold for \$15,000. Another impressive Retail Product donor, Lot 447, sold to Ky Luddington, Freedom, OK, for \$14,000. Roger Hirschy, Orlando, FL, and Henry Bamberg, Bamberg, SC, each paid \$13,000 to own Lots 420 and 446, respectively. Steve Ramshur, Nacogdoches, TX, outlasted all competing bidders to own Lot 438 for \$11,000. Four donors, Lots 424, 427, 430 and 449 sold for \$10,000 each to Sunrise Ranches, Oologah, OK, Dennis Huck, Coldwater, KS, Brad Curl, Lebanon, MO, and Chair Rock. Three donors sold in the \$9,000 range to Sand Point Angus, Lodgepole, NE, Nathan Allbritton, Mansfield, LA and J-Buckle Ranch, Willow, OK.

Steve Ramshur continued to bid on great cattle and had the winning bid on Lot 461, the co-top selling pair in the sale, for \$13,000. John Maurer, Bryan, TX, also purchased Lot 560, GAR 112 Rito C446, for \$13,000. Mashburn Farms, Lindsay, OK, paid \$7,500 to own Lot 494, another outstanding pair. Andrew Azcarraga, Collbran, CO, and Jason Butler, Clarendon, NC purchased Lots 463 and Lot 481 for \$7,000, respectively.

The lateness of the afternoon did not hamper the enthusiasm for those bidders waiting on the bred heifer portion of the offering. William Evans, Stephenville, TX outlasting all contending bidders for the top selling bred heifer, Lot 725, an Objective daughter out of a Rito 112 dam, selling for \$30,000. Jody Chenevert, Plaucheville, LA and Roger Boyer, Bowie, TX followed closely with final bids of \$27,000 and \$25,000 respectively for Lots 727 and 730. Van Meter Angus, Bowling Green, KY paid \$20,000 to own Lot 726, another Objective X Predestined combination with tremendous numbers. Deer Valley Ranch added to their superb herd with a final bid of \$20,000 for Lot 763. Blackstone Farms continued to bid on the very best and added Lot 780 to their load. Lot 732, GAR Predestined N777 sold to long time customer and friend, Don Meador, Dreamcatcher Ranch, San Marcos, TX. Roger Hirschy came to stay for the day and added Lot 729 to his load with a final bid of \$10,000.

The interest in spring ET heifers each year is electric and this year proved to be no different. Sunrise Ranches set the pace with their final bid of \$35,000 for the top selling spring ET heifer, Lot 939. Steve Ramshur selected lot 904, a Predestined daughter out of a 1407 dam, and paid \$22,000 to own her. Kentuckian Buck LeBus, Lexington, KY, outlasted all contenders for Lot 941, another

Predestined X 1407 daughter. Lot 809 sold to Dale Jackson, Oakdale, CA, for \$11,000. Lot 933, a Predestined X Retail Product daughter sold to Craig Laves, Subiaco, AR, for \$9,000. Clint Smith, Wadley, GA, and Alan Fankhauser, Milwaukee, WI, stayed late in the day to purchase Lot 903 and 902 for \$8,500 and \$7,500 respectively.

The momentum never diminished for those beef producers who came to make genetic selections to improve their programs. One thousand thirty eight lots sold in a record time of 7-1/2 hours.

Volume Buyers—Bulls:

Joe Mayer, Guymon, OK; K-Ranch, Garden City, KS; Monty Johnson, Amarillo, TX; Jack Shelton, Amarillo, TX; W.T. Waggoner Estate, Vernon, TX; Sam Hands, Triangle H Grain and Cattle, Garden City, KS.

Volume Buyers—Registered Females:

Ricky Lyles, Arp, TX; Blackstone Farms, Stoughton, WI; Hinkle's Prime Cut Angus, Nevada, MO; Terry Eubank, Ashland, KS; Alan and Phillip Bridges, Lexington, GA; Terry Bradshaw, Dallas, TX; Jeff and Brenda Wilkerson, Edmond, OK; C.W. Pratt, Atkins, VA; F.J. Burnell, Bossier City, LA.

Volume Buyers—Commercial Females:

Wendell Unruh, Wilmore, KS; Sam Hands, Triangle H Grain and Cattle, Garden City, KS; Kent Cooper, Mt. Pleasant, TX; Mike Hubbell, Spearville, KS; Chad Breiner, Alma, KS.

Additional notes of interest:

- 33% of the bulls sold for \$10,000 or more
- 67% of the bulls sold for \$5,000 or less
- 375 registered females sold for \$5,000 or less
- 69% of the sale offering sold to buyers in Kansas, Oklahoma, Texas and Missouri.

Sale Total & Averages

Registered Bulls			
Total Lots	Category	Gross	Average
346	18 mo-old bulls	\$1,807,250	\$5,223
Registered Females			
41	Donor females	\$446,250	\$10,884
110	Cow-calf pairs (3N1)	442,000	4,018
111	Bred cows	259,500	2,338
138	Bred 18 mo-old registered heifers	465,300	3,372
60	Spring ET heifers	263,600	4,393
229	Bred commercial heifers	334,000	1,459
3	Registered Quarter horses	5,250	1,750
1038 Lots		\$4,023,150	\$3,876

GAR Allied Producers Spring Sale Reports

Hinkles' Prime Cut, March 16, Nevada, MO
190 Lots sold for \$550,500Avg. \$2,897

Chair Rock, April 24, Greeley, KS
144 Lots sold for \$206,100Avg. \$1,431

Ogeechee Farms, May 2, Wadley, GA
60 Lots sold for \$225,950.....Avg. \$3,766

Upcoming Fall Sale Dates

Maple Crest Farms, Hillsboro, OH ...Sept. 26
www.maplecrestfarms.com

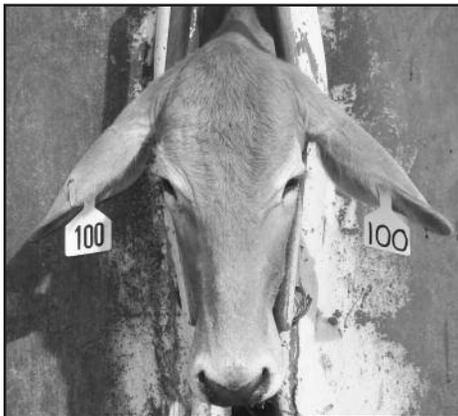
Goode Angus/Prime by DesignOct. 5
www.goodeangus.com

Dreamcatcher, San Marcos, TXOct. 24
www.dreamcatcherranch.net

Watch for more information on these upcoming sales featuring high accuracy GAR-influenced genetics.

Thanks to every single bidder, buyer and friend who attended our sale. Please go to www.gardinerangus.com to view our Thank You video.

Southern Carcass Improvement Project Seeks to Make Beef Better



Typical southern female lacking the genetic potential to improve carcass quality.

A unique breeding project has recently been launched to determine just how much carcass improvement can be made in one generation, using high carcass value Angus bulls on typical cows found in the southern U.S.

PROJECT DESIGN

The research design is the result of collaboration with Kansas State University, Virginia Tech and Gardiner Angus Ranch (GAR). The project will focus on 22 head of Southern-origin beef cows, representing typical bos indicus-influenced genetics often found in southern states. The cows, sourced from Georgia, Mississippi and Texas, and relocated to GAR, will serve as the common genetic denominator for the study.

The 22 females will alternately be flushed and bred to (1) proven Angus bulls with excellent growth and carcass traits, and (2) Southern sires representing 9 different breeds with varying percentages of bos indicus influence. The calves resulting from the Angus sires X Southern cows will be identified as the test group. Calves resulting from the Southern sires X Southern cows mating will be identified as the control group.

Igenity® will compile DNA genetic profiles on the 22 donors, all sires and the resulting calves. Calves will be born in the spring of 2010 and placed on feed at Triangle H Feedyard early in 2011. The calves will be harvested at 15-16 months of age at National Beef. Complete feedlot performance and carcass data will be collected on both groups, enabling a direct comparison of how the two groups performed under industry-typical management through the feedlot and onto the packer's rail.

The actual feedlot and carcass data will be compared to sire EPDs, ultrasound and DNA profiles to determine the optimum thresholds necessary to make significant carcass improvement in one generation in a particular population of beef cattle.

BENEFITING THE INDUSTRY

The first National Beef Quality Audit conducted in 1991 identified enormous inconsistencies and carcass quality deficiencies within the beef industry. Subsequent revisions to the NBQA have provided the industry with quality benchmarks that have been used to improve the end product going into the meat case.

The Southern Carcass Improvement Project addresses the beef industry's long-standing need for higher quality grades and better overall carcass traits in Southern U.S. packing plants. For example, during the week ending 2-14-09, the percentage of carcasses harvested in Kansas grading Prime and Choice fell 13% lower than cattle processed in Nebraska. Cattle harvested in Texas during the same week fell 27% lower than cattle processed in Nebraska. These differences are typical of the problem seen with lower grades in Southern plants—a situation that has shown no improvement for many years.

Using 2008 carcass pricing data from U.S. Premium Beef, the average value difference between a USDA Standard grade carcass and a USDA Select carcass equates to approximately \$80 per head. USDA quality grade data reports 9% (or 3,420,000 head of approximately 38,000,000 head harvested in 2008) were ungraded or USDA Standard. The quality deficiency on this 9% of the industry's beef inventory represents more than \$273,000,000. The difference between USDA Select and Low Choice adds another \$56.16 per head to the equation. When combining the difference between USDA Standard and Select to Low Choice, the disparity increases to more than \$465,000,000.

The quality disparities typical of Southern-influenced cattle represent a tremendous lost opportunity for the beef industry. Since Choice beef almost always sells at a substantial premium to lower beef grades, higher quality grades mean greater total revenue benefiting all segments of the beef industry. Lower grades result in fewer dollars in wholesale beef sales, leaving fewer dollars available to be passed back to cattle producers and feeders.

Mark Gardiner says, "We are excited about this project and believe it can be an important educational milestone for the U.S. beef industry. Gardiner Angus Ranch has worked for many years to create high-value genetics that can significantly improve average cattle, and even below average cattle, in one generation. Now we are putting those genetics to the test to determine how much feedlot and carcass advantage can be gained through the use of high-accuracy GAR sires."

Periodic reports and updates will be released via all media outlets throughout the project and available at www.gardinerangus.com.

GAR Fall Bull Sale Set for September 28

Every discussion regarding the selection of bulls or females for our spring or fall sale begins with the establishment of new genetic evaluation benchmarks. Some question our pursuit of genetic improvements requiring each and every calf crop to outperform the previous calf crop. Our simple response is "we're not there yet". Several years ago, Henry Gardiner set the ultimate benchmark for efficiency by determining we could breed beef cattle that were both efficient in the feed-yard, profitable at the packers and the females would be equally as efficient. Henry boldly predicted we would feed a pen of cattle that gained a pound or more on less than 4 pounds of feed (on a dry matter basis). Until we accomplish Henry's challenge consistently along with other quality benchmarks, year after year, our customers can expect each sale offering will reflect a continued pursuit toward genetic excellence.

"Our Customers Speak" Video Series Draws Large Internet Audience



The most popular destination on www.gardinerangus.com recently is the video series, "Our Customers Speak". After listening and responding to our customers' questions and concerns, we developed the ongoing video series. Each video is a response to a single question.

The topics are diverse and discuss such issues as data management, how to select a donor, sale cattle selection and sale order to using science and technology in making genetic evaluation decisions. Other topics include best practice breeding, managing input cost and using data to improve carcass quality. The video series is ongoing and new videos will be launched periodically. We encourage you to visit www.gardinerangus.com frequently to check for new videos. If you have industry related questions you would like to see answered, please submit your suggestions by emailing gardiner@gathh.com.

Our customers
prefer to see
blue sky.
Not hear it.



Don't just buy a breed.
BUY A BRAND.

Selling 250 Bulls
at the 5th Annual
Gardiner Angus Ranch
Fall Bull Sale
Monday,
September 28
At the ranch near
Ashland, Kansas



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All bulls AMF and guaranteed.*

The GAR Report Goes Electronic

This issue of *The GAR Report* is the first of our "somewhat" quarterly newsletter that is also being sent electronically. In the near future, you will continue to receive the newsletter through the mail. In fact, we will likely have customers who will continue to prefer receiving the newsletter via mail. Our goal is to increase the frequency of the electronic version of *The GAR Report* and reduce the number of copies of the newsletter that are actually mailed. We will continue to post the final printed version of the newsletter on our web site. Meanwhile, if you have beef industry friends or customers you think would find the information in *The GAR Report* useful and you have also received an electronic version, feel free to forward your copy to them. If you did not receive an electronic version and prefer to receive it via email, log on to www.gardinerangus.com and click "contact us" or you can send an email request to gardiner@gathh.com.



Congratulations to A-1 Land and Cattle, Muenster, Texas, on their pen of commercial heifers selected as the Reserve Champion British Cross at the 2009 Fort Worth Commercial Female Sale. The pen of 10-12 heifers were sired by GAR bulls and sold to LaBaron Ranch, Euless, TX for \$2,000 each.



**Don't just buy a breed.
Buy A Brand.**



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Ashland, KS 67831



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Plan now to join us Monday,
September 28, 2009, for the Gardiner
Angus Ranch 5th Annual Fall Bull Sale.