

# Mississippi Beef Cattle Improvement Association

Mississippi Beef Cattle Improvement Association—Productivity and Quality



### Upcoming events:

- April 12—Magnolia Beef and Poultry Expo, Raleigh, MS
- April 16-18—Alabama Beef Excellence Program, Auburn, AL
- May 8—South MS Gain on Forage Bull Test Sale, Tyertown, MS
- June 6-9—Beef Improvement Federation Annual Convention, Fort Collins, CO
- June 25-27—MJCA Making Tracks Leadership Camp, Mississippi State, MS
- June 28-29—Cattlemen's Cooler College, MSU Meats Lab, Mississippi State, MS
- August 2-5—Hereford PRIDE Convention, Mississippi State, MS
- September 14-15—Master Stockman Program, MSU Beef and Horse Units, Mississippi State, MS

### Inside this issue:

Leadership and Management	2
Grid Pricing Examples	3
MBCIA Membership Application	4
BCIA Genetic Profit Tips	4

## Cattle Learning Center DVDs Available

The Cattle Learning Center, a cooperative effort of the National Cattlemen's Foundation and Pfizer Animal Health offers practical producer-oriented coursework on a variety of beef production topics. The Cattle Learning Center is online at [www.cattlelearningcenter.org](http://www.cattlelearningcenter.org). The National Cattlemen's Foundation offers this educational opportunity to all producers, both National Cattlemen's Beef Association (NCBA) members and non-members alike.

The latest additions to the Cattle Learning Center educational programs include DVDs addressing low stress cattle handling and proper handling and transport of cattle.

### Low Stress Cattle Handling

Three career cowboys, Curt Pate, Charlie Trayer and Joel Ham provide practical tips on low stress handling. The DVD features over

2 hours of training on handling cattle on horseback, on foot and with dogs. For NCBA members, this DVD can be purchased for \$39.95 (a \$10 savings). Non-members can still purchase the DVD at full price. To order a copy, go to [www.cattlelearningcenter.org](http://www.cattlelearningcenter.org) and select the DVD section.

### Master Cattle Transporter Guide and DVD

The Beef Quality Assurance program has created a training program on the proper handling and transport of cattle. Information includes loading and unloading procedures, biosecurity and handling tips. To order a copy at a cost of \$10 per copy, contact NCBA Customer Service at 1/800-368-3138.



## Cattlemen's Cooler College Set for Early Summer

Mississippi beef producers will soon have the opportunity to participate in beef cattle harvesting and fabrication on June 28-29, 2007 at the Mississippi State University Meats Lab. Cattlemen's Cooler College will allow 30 participants to get involved in a hands-on learning experience focusing on beef end product. Live animal evaluation, value-based pricing systems, cattle harvesting, beef carcass fabrication, and Yield and Quality Grading are among the activities planned as part of the



two-day program. Local Mississippi State University Extension Service offices throughout the state will have program agendas and registration materials available in late April 2007. The Cattlemen's Cooler College is being sponsored in part by the Mississippi Cattlemen's Association. Junior cattle producers will have a similar opportunity to learn first hand about beef end product processing and marketing during the MJCA Making Tracks Leadership Camp earlier the same week.

## Leadership and Management



Effective leadership of management is key regardless of beef cattle operation size.

Leadership and management are somewhat different, yet their interrelation must be understood and implemented to assure continuing success. Management is the process of taking an organization along an established route as smoothly and efficiently as possible. Leadership, on the other hand, is the process of moving an organization into uncharted waters by effectively understanding and implementing change. The following table illustrates the differences between leadership and management.

- Know what needs to be done and at what point in time.
- Keep abreast of current knowledge related to the enterprise and the beef industry.
- Know how to use time effectively.
- Be self-motivated.

LEADERSHIP	MANAGEMENT
Creates new paradigm/vision	Works within the paradigm/vision
Works on the system	Works within the system
Leads people	Manages things
Focuses on effectiveness	Focuses on efficiency
Does the right thing	Does things right
Works strategically	Works tactically

Leadership and management identify the need to create and implement paradigms. A paradigm is the map of the mind's perceptions, how a person sees the world or a particular situation. One person may have a paradigm that the current beef industry is self-destructing, while another person has a paradigm that the current beef industry has numerous opportunities to be highly successful.

The manager of a beef cattle operation may be an owner-operator with minimal additional labor or someone in charge of a complex organizational structure involving multiple employees. An effective manager, whether involved in a one-person operation or a large, complex one, needs to:

- Develop a written mission statement; identify and implement short-, intermediate- and long-range goals as part of a written management plan.
- Set priorities and allocate resources accordingly.

- Practice self-management so that others can learn from a good role model.
- Communicate responsibilities effectively to all employees and encourage a team approach.
- Attend to the physical, emotional and financial needs of oneself and those involved in the operation (employees and family).
- Motivate employees to perform at optimal capacity.
- Conduct honest business dealings.
- Remove or reduce high risks affecting profit.
- Provide a management information system that gives timely and accurate feedback on decisions.
- Be profit-oriented.

---

*“An effective (beef cattle operation) manager needs to... be profit-oriented.”*

Source: Dr. Tom Field, Colorado State University Department of Animal Science.

## Grid Pricing Examples

Fed cattle are sold several different ways including: live weight, dressed weight, rail grade, forward contract, and formula or grid pricing systems. Cattle sold on a live weight basis are sold to the packer "live" at the feedlot. The packer is then responsible for transporting the animals to the slaughter facility. Cattle sold on a dressed weight basis are sold to packers based on dressed or hot carcass weight. Rail grade sales are usually private treaty with cattle slaughtered and the carcasses priced according to grade. The producer sells directly to the packer and is paid according to the weight

get grid specifications and be more competitive in a value-based marketing system.

Here are some examples using the sample pricing grid below:

### Example 1

Hot carcass weight = 875 lbs. (within base carcass weight range)  
 Quality Grade = Choice (base Quality Grade)  
 Yield Grade = 2 (\$2.50 per cwt. premium)  
 $132.03 + 2.50 = \$134.53 \text{ per cwt.}$

*"...Formula or grid pricing involves premiums or discounts based upon set standards."*

Quality Grade	Yield Grade				
	1	2	3	4	5
Prime	18.60	14.60	12.10	6.10	2.10
Certified Angus Beef	11.50	7.50	5.00	NA	NA
Choice	6.50	2.50	Base	-6.00	-10.00
Select	-0.80	-4.80	-7.30	-13.30	-17.30
Standard	-5.80	-9.80	-12.30	-18.30	-22.30
Carcass Weights		Other			
550 – 949 lbs.	Base	Dark cutter		-32.50	
950 – 999 lbs.	-4.00	Hardbone		-26.50	
Less than 550 lbs.	-19.00				
More than 999 lbs.	-10.00				
<b>Base Price = \$132.03 per cwt.</b>			<b>NA = Not Applicable</b>		

and grade of the carcass. In forward contract pricing, cattle are pre-sold for a determined price and later delivered to the buyer. These legal contracts designate specific weight targets for payment.

Formula or grid pricing involves premiums and discounts based upon set standards. This value-based carcass pricing starts with a base price, and then adjustments are made for Quality Grade, Yield Grade, heavy and lightweight carcasses, dark cutters, bullocks/stags, dairy types, etc. These premium and discount schedules can greatly differentiate between carcasses in terms of value. Use of carcass information in animal selection and marketing allows producers to tar-

### Example 2

Hot carcass weight = 1023 lbs. (\$19.00 per cwt. discount for heavyweight carcass)  
 Quality Grade = Select (\$7.30 per cwt. discount)  
 Yield Grade = 1 (\$6.50 per cwt. premium)  
 $132.03 - 19.00 - 7.30 + 6.50 = \$112.23 \text{ per cwt.}$

### Example 3

Hot carcass weight = 607 lbs. (within base carcass weight range)  
 Quality Grade = Dark cutter (\$32.50 per cwt. discount)  
 Yield Grade = 3 (base Yield Grade)  
 $132.03 - 32.50 = \$99.53 \text{ per cwt.}$



Producers can best take advantage of value-based marketing programs with targeted genetics.

Mississippi Beef Cattle Improvement Association—Productivity and Quality

Mississippi Beef Cattle Improvement Association  
Box 9815  
Mississippi State, MS 39762

Phone: 662-325-7466  
Fax: 662-325-8873  
Email: jparish@ads.msstate.edu



Send questions or comments about this newsletter to Jane Parish, Extension Beef Specialist, Mississippi State University Extension Service

Mississippi State University does not

discriminate on the basis of race, color, religion, national origin, sex, sexual orientation or group affiliation, age, disability, or veteran status.



Visit MBCIA online at <http://msucares.com/livestock/beef/mbcia/>

## MBCIA Membership Application

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

(Check one) Seedstock:  Commercial:

Cattle breed(s): \_\_\_\_\_

Completed applications and \$5 annual dues payable to Mississippi BCIA should be mailed to:

Mississippi Beef Cattle Improvement Association  
c/o Jane Parish, Extension Beef Specialist  
Box 9815, Mississippi State, MS 39762

## BCIA Genetic Profit Tips—April 2007

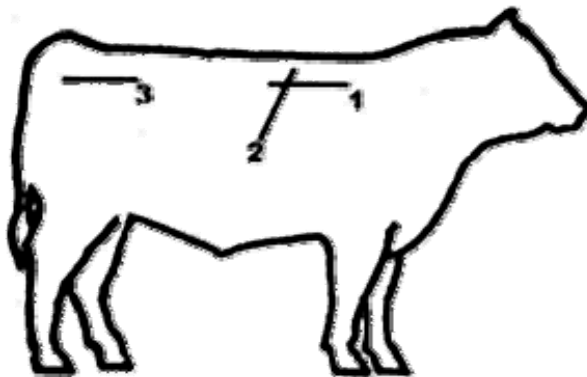
### Live Animal Ultrasound Scanning

For cow-calf producers, collection of carcass data has historically been done using progeny testing requiring a bull's calves to be harvested for data collection. This was a slow, tedious, expensive process to "prove" a sire. Ultrasound carcass scanning technology allows objective carcass information to be collected on live animals instead of having to wait until cattle are harvested to obtain carcass information. Ultrasound scanning of live cattle allows a sire to be "proven" for carcass merit in a shorter period of time with less expense. In addition, feedlots can use ultrasound data to identify which animals are ready for market. Predictions of optimal harvest end-points and how animals should grade can also be made using ultrasound technology.

Yearling calves out of potential herd sires may be ultrasound carcass scanned for 12<sup>th</sup> to 13<sup>th</sup> rib fat thickness, rump fat thickness, ribeye area and marbling. Each of these traits is significant in determining red meat yield and quality, and each is at least moderately heritable. Ultrasound scanning of yearling bulls provides valuable

information on live breeding stock that facilitates the production of calves that fit market specifications.

Yearling bulls can be scanned at approximately 365 days of age to provide an indication of how sibling steer and heifer mates will perform on the rail. Each breed association has established an age range within which scanning must be performed in order for the data to be used in the national cattle evaluation program. A certified technician can perform this service for a fee. Many breed associations have additional breed specific ultrasound guidelines and publish a list of Ultrasound Guidelines Council (UGC) certified technicians.



It may be advantageous for several producers in an area arrange for a technician to service multiple farms. This may help lower the cost of scanning for an individual farm by spreading the travel costs of the technician out across several farms.

