

Capturing Value from Carcass Merit while considering Genetic Evaluation

There has been much energy and effort put into research, papers written, and discussion, let alone the independent “on ranch” trial and error toward Carcass Merit and Genetic Evaluation. As technology continues to improve, Genetic Evaluation will continue to be a focus with increasing opportunities and incentives for the average producer to participate in.

Before I go any farther, let’s define Carcass Merit

Fed Cattle Carcass Merit for this article will be defined as:

Meeting general packer / retail programs in the areas of quality grade, carcass weight, red meat yield, tenderness, and muscle size; attributes which are generally not discounted.

Carcasses which do not meet packer and retail attributes for fed cattle and are generally discounted as not acceptable by the major packers are:

1. No Roll or Standard Quality Grade
2. Carcass Weights over 1000
3. Yield Grade 4 & 5
4. Ribeye area over 16 square inches

Understanding the resulting Carcass Merit from Genetic Evaluation is without question in great demand...particularly as the industry continues to push toward producing beef products to increasingly rigid specifications.

Producers must keep in mind that there many branded beef programs with definite specifications but not all specifications are or have to be the same. Matter of fact, if you go back to the definition, they are quite broad.

As retail continues to drive for tighter more reliable products through specifications (repeatable and ratable supply of carcass with merit) this does not mean that all cattle must hit a small bull’s eye target, again, quite the opposite.

As each of the packers have different branded programs, and a differing and diverse customer base, producers must learn what their cattle perform like on the rail, which brand most likely fits their production, breeding/genetics, and where they are going to get paid the most dollars for those cattle (carcass merit). It is easier and currently less costly for a producer to market cattle to the right packer or feeder than to make dramatic genetic shifts.

Feed yards are very aware of what type of cattle each of the packers want, will pay a premium for, and which cattle have virtually no value to a particular packer. This might seem like a harsh reality, but if the packer can buy cattle to meet their customer specs, why would they purposely buy any cattle that do not. Gaining this type of marketing intelligence is invaluable before deciding what changes to make...if any. Without this type of marketing intelligence, you are at a disadvantage of knowing or

realizing the value of your genetics.

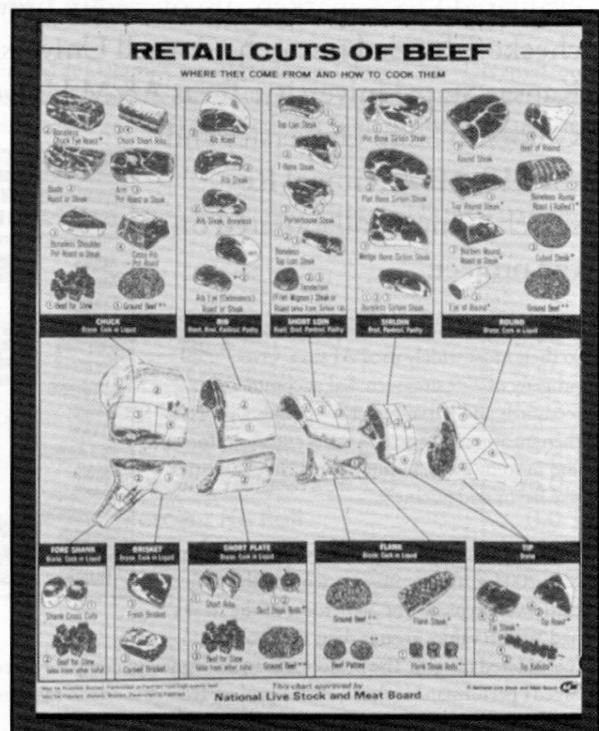
Incentives are there for those who are able to gain a competitive understanding of what drive carcass merit from genetic evaluation. The notion of the best practices they create and can repeat for production, management, feeding, days on feed, use of growth technologies, nutrition, and the environment, while also understanding the impact each of these factors has on the other, will continue to be important and valuable for those who are able to perfect it.

As an industry we will be pulled farther away from a pure commodity system and toward a more focused value-based system as genetic evaluation of carcass merit and accurate measures create multiple value and benefits. These benefits are incentivized today if there is repeatability, ratable supply, and coordination from production to packer in meaningful volume. For this to be a normal on farm production practice, technology must be more affordable, and accuracy will be demanded.

This may seem off topic, but reducing technology cost while adding value is where many of the supply chains or alliances are winning the game. Most of the supply chains are vertically coordinated, are charged



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with meeting targeted specifications repeatedly with a ratable supply 365 days of the year. Through understanding the objective, the specs, and being paid to deliver, most are the heaviest users of multiple technologies in regard to genetic evaluation of: carcass merit, feeding performance, on farm production traits, efficiency, and sustainability of the system.

Continual change will increase the need for carcass merit through genetic evaluation to be repeated more frequently at less cost and have the ability to deliver on the rigid specifications more quickly.

With multiple new and convenient beef products reaching the market every year, the demand for cattle that can fill those needs is on the rise. Industry analysts estimate that cattle marketed

Collecting intelligence is critical before making decisions as to what genetic changes to make, why, what you hope to gain, and what is the cost / benefit...

through some form of vertical coordination program will reach 25 percent of the national total this year, with rapid growth projected over the next few years.

But whatever the specific objective, each supply chain seeks to add value to cattle by eliminating variability and defects while focusing on the incentives to increase consumer acceptance of beef by producing satisfying eating experiences.

To learn more about comprehensive industry Carcass Merit projects, read the NCBA carcass merit project completion article written by Dan

W. Moser, September 15, 2004 Drovers Journal. ■