



Pierce Angus Farms Newsletter
12/11/06

I hope this finds everyone in good health and getting ready to enjoy the coming holidays and football games. It's been a good year at our farm, great crops again, boy the good a rain can do at the right time. I know that lots of you were worried about drought at times this year. We were in an area that never lacked moisture and got a little too much in August, but that helps to build some soil profile to help wells and the next crop. Our corn averaged 195 following beans and corn on corn was 177; beans around 50. Hay crop yielded about 7 tons per acre.

I want to thank everyone who purchased bulls or females from us this year. We can't survive without good customers, and we are striving to produce the best genetics that keep those customers coming back.

This spring we had good success with bulls in the EAGA sale in Dunlap, having the top selling bull at \$3900, and in the Open to the World bull sale at Atkinson, Nebraska we had the 2 top selling bulls at \$3500 and \$4000. All of these bulls sold to good repeat customers.

The 2 female sales we take part in are over and were very good. The new one, the EAGA sale at Dunlap in October, was a great one to kick off the sale season. We had the 2nd high selling cow, 3 of the 10 top selling bred heifers. The crowd wasn't huge, but there were bids from the combine cabs, and the buyers on the seats came to buy good females. Several commented that this was one of the best sets of bred heifers they had ever seen. The Midwest Connection sale last week in Winterset was also very good. That sale is building a great reputation and is better every year.

Many are worried about the higher price of corn in rations for the foreseeable future. If you have feeders for sale, if you have good genetics that can gain and hang up good carcasses on the rail, my feeling is to feed them out and take advantage of those genetics. I feel that the high corn price will take some pounds off of slaughter steer weights next summer, and with less total pounds, the cattle market could be a great one next year. Egg sets are already reported to be down about 5%, and the hogs weights are starting to drop off also. That means less total meat production, and higher prices.

When production costs go up you need to have the top genetics to take advantage of gain, and carcass premiums that are available to the outstanding cattle. I had a steer 2 years ago earn a carcass premium of \$312 by grading Prime, Yield Grade 1. We have all found out what the better genetics in corn have done to yields the last 3 years. Genetics do the same thing for cattle. There is no harder way to make your cows earn money than by putting a cheap bull on them. Some of the stacked trait corn sells for \$180 a bag. That's about \$65 an acre cost for about a \$450 gross per acre or about 14% of gross income. A bull used on 30 cows for 4 years for 120 total calves at 1200 lbs. with a value of \$.85 lb at harvest would make that bull worth \$17,136 on the same genetic value as seed corn. We will sell you a bull for quite a bit less than that.

We always enjoy getting results back from the success that our customers have with our genetics. One of our top bull customers is David Loutzenhiser from Blockton, Iowa. David came to us about 10 years ago and said he needed to change the genetics on his bulls, wanted more growth and better carcass

quality. He takes all of his calves to the Tri County Steer Futurity each fall. His first bull from us was a Papa Equator son out of the ICA Dunlap bull test. Since then he has bought about 10 bulls, most have been purchased sight unseen.

Two years ago he bought our top selling bull in the EAGA bull sale, a Limited Design son. This bull sired the 1st place steer in both value per day of age and per days on feed. That steer weighed 1449 lbs. at 383 days of age, he ratioed 143 on gain, he cut out .3" back fat, 13.5" rib eye, 2.58 yield grade and mid-choice all at 12.5 months of age. There were 12 head of steers by this bull on the test averages: 395 days of age, wt. 1248 lbs., 103.8 ratio on rvdoa, .43" back fat, 13.32" rib eye, 2.68 yield grade, 92% choice, 25% CAB.

In all, David had 38 steers of the total of 85 on the test. His steers placed 15 of the top 20 on retail value per days on feed. He also had 15 of the top 20 steers on retail value per day of age, with 70 % of his steers placed in the top 1//2 of the test. He had 8 of the top 10 on retail value per day of age, and 9 of the top 10 retail value per days on feed.

On the heifers he also had 15 of the top 20 on both categories.

Darrell Busby told me this summer that he figured that David had raised his yearling weights by about 110 lbs. since investing in our genetics. David doesn't just take in his top calves, he takes in most all of the calf crop to the steer test. And by the way, this isn't the first time he has done this well. In 2005 he also had 8 of the top 10 steers on the test. Plus remember that the competition in this test is outstanding. Many of the calves are the top out of each herd and not whole herd groups like David's are.

This past March, David purchased an exciting young bull from us, RMP Alliance 6001-05. He was the top selling bull in the EAGA bull sale. This bull had a 205 day wt. of 787, ratio 115, 365 day wt. 1440 lbs. ratio 123, EPDs: B +2.9, w + 61, m +27, y +124. We are eagerly awaiting the results from his calves. This bull has one of the all time high yearling EPDs in the breed. I have only seen one other bull this high in sales this spring.

One of the bulls we sold in the first EAGA bull sale produced the top selling pen of calves at the EAGA influenced feeder calf sale at Dunlap last December. The calves weighed 686 and brought \$130, to far out-sell other calves of the same weight in the sale. The sire was the 3rd high WDA bull in the 1st EAGA test.

We are going to be offering about 100 bulls this year for sale -- most for sale at private treaty here at home. We will have some yearling bulls in both of the EAGA sales in March and June.

Included in this group of sale bulls are over 60 head of bulls aged from Fall 2005 and older. Thirty of these are coming 2 year old bulls. We have weaning weights up as high as 890 lbs. and yearling weights into the 1300 lb. area. These bulls have not been pushed hard, a bull needs to be athletic, not fat.

WE ARE MAKING A SPECIAL OFFER THIS DECEMBER: Any bull bought and paid for in full by 12/31/06 gets a 10% discount. We will feed the bull free of charge and provide free replacement if anything happens to him while at our farm until you take possession of him next spring or summer. If you have tax problems this year, you can use the purchase to offset some tax payments. Plus if you have to borrow the money, a 10% price deduction and you can get the money for 8-9% on an annual basis. You still save over 5% over the cost of the borrowed money.

Example, let's say you buy a bull priced at \$3000 from us, he costs you \$2700. You don't take him until June 1st, don't have to take care of him, or have to find a place to put him.

Let's say you buy a bull in a sale for \$3000 -- to feed that bull until July 1st, at \$2 a day add \$360, and for insurance at 4% for ½ year add another \$120, for a total cost of \$3480.

By purchasing a bull from us, you can save \$780 and don't have to put up with the bull until you want him. Plus figure in the outstanding genetics we have, you can see this is a great offer. You can spend more money on the bull and get better genetics. A bull purchased here at \$3900 would be about the same total cost as buying the \$3000 bull in a sale that you have to take home.

Our bull prices start at \$1800.

Sires of the bulls:

B/R New Frontier 095
TC Foreman 016
WAR Alliance 9126
RMP Omega

We have 7 cows and 3 bred heifers available for spring calves at private treaty.



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