



Pierce Angus Farms Newsletter
12/4/07

First of all, I want to thank those of you that have purchased Pierce Angus genetics this year, and wish you the best of luck with those cattle in the future. We exist to serve you, and serve to exist.

With the '07 harvest wrapped up, lots of field prep done for the next crop, it's time to look back at what has certainly been an interesting year. Agriculture is changing in ways most of us didn't see coming. The boom in grain prices, with the help of ethanol has changed many practices or are getting producers to consider new ideas. I went to a number of meetings on by-products this past spring -- we are going to start using them in our feeding program. We have had some rations built for us, just need the time to get everything else ready to do so. We have had enough of our cattle fed these products over the last few years in bull and steer tests, and heifer developments to know they really do work.

I have heard many in the livestock business complaining about the higher feed costs. The old timers told me that you make more money with high priced corn than when corn is low priced. Last year at this time feeder cattle were being hit because of higher corn prices, feeders wondering if we could produce enough corn for feed and fuel. They didn't know how high corn prices would go. I put in my newsletter that if you haven't sold your calves then, keep them and feed them out. This past marketing year has set a record average price for fat cattle. I guess the old timers were right that high priced grain makes higher priced cattle. With the continuing drought in the western states and the increased demand for crop acres in the Midwest, I see no reason why prices will not climb higher. There has been no build up of cows in this country for years, and I truly believe that the cow numbers in this country are over-estimated besides, plus with all of the mess that the USDA has had ever since the BSE issue of 2003, people have been leery to expand. That all means that the cow-calf producer is in the drivers seat for the foreseeable future. There is a large feedlot capacity out there and demand for feeders will be strong to fill those lots. We have lost a generation in the last decade of young people coming into the cattle business. For us that are in this business, we need to work to improve our genetics, and learn to feed those genetics, with the result being very solid profits.

One of our customers has learned to use genetics and the data he gets back from feedlots. He is David Loutzenhizer of Blockton, Iowa. I have included an article that was printed in the Angus Beef Bulletin in October about his use of information, and feedback and how he uses that to make decisions for his cow herd. The changes he has made are extraordinary.

We always have bulls and females for sale at private treaty, but we also take part in a group called EAGA, (Elite Angus Genetics Alliance). The group takes in bulls and heifers in October to be placed on test. The bulls are fed to gain about 3.5 lbs. a day, trying not to burn them up. The heifers are developed for breeding so are placed on a ration to gain enough to make them ready to breed and become cows in our own herds or be sold in the EAGA female sale in late October each year. The group has 2 bull sales, the first in late March at Dunlap where we sell the January and February born bulls, and then a June sale where the young bulls are sold. This group is beginning its 5th year of operation and sponsors an EAGA influenced feeder calf sale in December at Dunlap. There have been 2 years of this sale and I am pleased to tell you that the top selling groups both years have been sired by a bull bought from us sired by RMP Omega. This bull had

been the 2nd high weight per day of age bull in his test year, and he is siring the right kind that make money for the producers of the calves and the feedlots that buy them. We have 8 bulls on this test and 16 heifers being developed for next fall's sale. This year we had the 2nd high selling bull in the June sale, and 3 heifers in the top 12 of the fall female sale.

Speaking of RMP Omega, this grand old sire is no longer with us, he made it to the age of 14, but he has left us with an outstanding group of females, we have about 70 of his daughters in the herd. This past July on the Angus Sire Evolution report, he was the 7th highest bull on Milk EPD in the breed at +39 lbs. He had an 11 lbs. epd when he was a yearling bull, after the first crop of Omega daughters weaned calves, with an ave. weaning ratio of 120. I knew that the numbers on him would go up, and they have every year since. He also has been ranked as high as 17th in the breed on Rib Eye epd. He has proven himself as a great carcass sire over the years. In fact, he sired a Prime Plus, Yield Grade 1 heifer one year.

One of the great things about our business is the people we get to work with, and one of my favorite things is working with young people that are getting into the purebred business with good females or into the commercial cow calf production. A couple of these young people got married this past year. Adam and Traci Brayton of Independence, Iowa, started buying females from us 4 years ago. They have had some great success already. Our young herd sire AnT Scout was the first calf born in their herd. He is a New Frontier 095 son out of an Omega daughter, and he sired one of the higher selling females in the EAGA female sale this fall. They have a bright future in the industry, and are learning what good genetic selection can do.

Another young customer recently married is Eric Euken of Atlantic. He has bought some outstanding bulls from us over the past several years. He bought the Kojack bull that was a herd sire here. I probably should have kept him as he sired some really good females. Eric's dad, Roger, has been a friend since back in the days of 4-H, and his wife was a roommate of my wife back in the days before they were married to us guys. Roger has been a good customer of our bulls also and has used some great ones that we thought about using back in our own herd.

Kevin Ross of Minden is another good young cattleman that got married this spring, and another young cattleman that is getting hitched is Tim Leaders also of Minden. He worked with me at the Open to the World bull sales for a number of years, and is a good hard worker. It is great to see these young people being involved in agriculture and in the cattle business. Plus I want someone raising some good beef for me to enjoy in my retirement years.

We are making a special offer again this December. Any bull bought and paid for in full by 1/1/08 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. If you don't want to pay in full, you can put ½ down now, and the balance at the time you take delivery of him, but this doesn't include cash discount. This is a great offer as you have the chance to pick the genetics you want in your program while the selection is large, and if you have to borrow the money, it still way more than pays the interest that you would have in the bull.

The savings 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. Compare that to buying a bull in a sale for \$3000 now – to feed that bull until June 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 have the bull until you want him.

We will have discounts on bulls into January and February but they will be lower than the December figure.

We have 55 bulls available that are September '06 bulls and older, lots of coming 2's and a herd bull -- this is not counting the '07 bulls yet -- for a total of about 85 this year. Sires of the bulls include: RMP Omega, TC Foreman, War Alliance 9126, and B/R New Frontier 095.

We also have 6 bred heifers, most are bred to the ABS calving ease bull, Mytty In Focus. Prices are 2-\$2000 ea, 2-\$1800 ea, 2-\$1400 ea. We can make a group price if someone is interested in all 6, or combinations of 4.



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