

Producing and Marketing Beef: Which Marketing Program, Alliance or Branded Program is Best for You?

Joel Yelich, Christin Barthle, and Tim Marshall

Department of Animal Sciences
University of Florida, Gainesville

It appears that the Beef Quality Revolution is finally upon the beef cattle industry and is already having significant impact on how producers are marketing their cattle in an attempt to add value to the product they sell. Many producers are currently taking advantage of the different alliances and their value-based grids, selling their product through a branded beef program or becoming involved in a Vertical Coordinated Program. The more significant programs fitting into these categories are represented in Table 1. Although many of these programs have either specific marketing objectives and/or carcass/retail product targets for which they are attempting to produce, the primary objectives of all these programs is to add value to cattle by reducing product variability resulting in a consistent end product to meet the needs of consumers and promote a positive eating experience.

With today's alliances and special programs there is something for every producer. There are breed and carcass specific alliances. Breed specific programs that produce a branded beef product. There are opportunities for producers to retain ownership of cattle and sell on a value-based grid. Producers can also partner with a feedlot and receive feedlot and carcass data in return. Or producers can participate in a source verified feeder calf sale if they choose to sell at weaning. The common message for all producers is that they want to realize the added value of their product and take home some additional profit.

However, in order to understand the real value of their product, and make subsequent marketing decisions, producers must first understand the feed and carcass value of their

animals. For many producers this is a huge unknown and probably the most critical piece of information lacking when trying to make a decision of whether to get involved in a program or in which program to enroll. The producer must have a clear and consistent idea of the genetics and production capabilities of his/her cattle in both the feedlot and on the rail. Only then can the decision be made whether to get involved with a program or not and if so, which program will add the most value to a group of cattle based on their genetic background and performance.

In order to learn more about how their cattle will perform, most producers run small test groups of cattle through the feedlot and collect the subsequent carcass data to determine if their cattle have what it takes to make the grade. Many programs require entry fees and/or carcass collection fees while some alliances charge no fees at all but will still return feedlot and carcass information back to the producer. Other options include partnering with a feedlot or working through a feeding test sponsored by the state or local extension service. If the cattle do not make the grade, the producer must interpret and analyze the feed and carcass data and decide to make the necessary changes to their cowherd genetics, bull breeding program and/or management. The final decision inevitably enables the producer to determine if these marketing changes can be financially rewarding to the operation without significant capital and/or operational investments. Therefore, a complete understanding of your operating and cow cost is essential in order to determine the feasibility of retaining ownership or joining an alliance.

There may come a day when all cattle will be sold on either value-based grids or formula contracts. Cattle Fax data recently indicated that half of the fed cattle marketed today fall outside the traditional cash market. However, during the next five years, Cattle Fax predicts that feed yards will market over 75% of the fed cattle through value-based grids or formula contracts. Therefore, if your cattle do not fit any of these programs, you may have a difficult time getting any added value for your product or selling it all together.

The programs listed in Table 1 and others

not listed, are not for every producer. Before getting involved with a program the producer must do his/her homework. Nearly all of the major alliances or programs have a WEBSITE and/or a contact individual who can assist you in answering you questions (see Table 1). Furthermore, don't forget to talk with fellow producers for their experiences and what programs with which they have worked and what has worked for them.

Table 1. Alliances, Branded Programs and Vertical Coordinated Programs (Adopted from Drovers Journal, 2000)

Name	Contact	WEBSITE / Email	Contract or Retained Ownership	Cost (\$/head)	Breed	QG	YG	WT	Description
American Angus Assn. Certified Angus Beef, LLC	Steve Suther (877) 241-0717	www.cabprogram.com ssuther@certifiedangusbeef.com	Premiums paid to fed cattle owners	No volume limits	Angus/Angus type	≥ Mod est	≤3	NA	CAB licensed lots tag known Angus-type, CAB-eligible cattle, must meet carcass specs to be accepted.
Angus America	Mark Nelson (402) 462 2057	www.angusamerica.com	NA	3-6/head	50% Angus/Red or Black	≥ Ch	≤3.9	550-950	Service company for increasing final product quality, with marketing, data collection and networking
Angus Gene Net	Dr. Ken Conway (785) 434-2299	www.angusgene.net	None	3-7/head	ALL	≥ Se	≤3.9	535-950	Marketing Service Alliance. Goal: increase profit of quality cattle
B3R Premium Beef	James Henderson (940) 937-3668	B3R@childrestx.com	None	None	ALL	≥ Ch	≤2.5	700-775	B3R cattle are raised under natural specifications, including no implants or antibiotics
Beef-Charolais	Scott Farmer (816) 464-5977	www.charolais.com scott@charolaisusa.com	None	0-7; data collected basis	≥ Charolais	≥ Se	≤2.9	550-950	Program to identify ideal marketing grids for Char and Char X cattle, gather carcass data.
Beef Management Alliance	Mike Kasten (573) 238-3954		Yearly bull lease	NA	Most	≥ Ch	1,2	550-975	Bull leasing program. Calves are bought back and marketed through Farmland Beef Alliance
Cactus Feeders	Paul Coleman (806) 373-2333	www.cactusfeeders.com pcolman@cactusfeeders.com	None	None	All	NA	NA	NA	Seeks to identify quality cattle to buy; assist retained ownership programs; collect carcass data
Certified Hereford Beef	Rob Ames (816) 842-3757	www.hereford.org rames@hereford.org	NA	None	Hereford Hereford x British	NA	NA	NA	To market feeder cattle, call Herfnet at (888) 434-9231. Licensed packers Greater Omaha Packing Co. and Washington Beef.
Coleman Natural Beef	Jim Coakley (303) 297-9393	www.colemannatural.com	Contracts available Retained Ownership	None	Angus based, certified natural	Ch	2	600-900	Cattle must be raised under natural specifications including, no implants, antibiotics, or animal by-products
Decatur Beef Alliance	Chad Davis (785) 475-2212	www.krvn.com/ decaturfeedyard.html	Enrollment/ ≥ 50% retained owner	EMC individual mngt.	All	70% Ch	70% 2s	550-950	Prefer crossbred cattle with no more than 25% Bos indicus breeding
Farmland Beef Connection	Doug Stanton (316) 276-0992	www.farmland.com	Enrollment and calf marketing option	7/head individual data	≥ 50% Angus	65% Ch 20% CAB	≤3.9	550-975	Certification program for Farmland cow-calf members to gather carcass data
Gelbvieh Alliance	Blair Clavel (303) 465-2333	www.gelbvieh.org	None	.75-1/ head	Continental x British	Muscle and Marbling grids		535-1000	Muscle and marbling grids; Harvested at ConAgra plant. Simplified grids

Table 1 (continued) Alliances, Branded Programs and Vertical Coordinated Programs (Adopted from Drovers Journal, 2000)

Name	Contact	WEBSITE / Email	Contract or Retained Ownership	Cost (\$/head)	Breed	QG	YG	WT	Description
Maverick Ranch Beef	Bob Rolston (303) 294-0146	www.mavranch.com	None	None	Salers and Continental X	Se-Ch	1,2	700-1000	Must be on feed 100 days with a specified amount of Vitamin E
Moorman's Vaue Trac	Doyle Kauk (785) 675-3779	rdek@urualtel.net	Retained ownership	8/head	All	Multiple Grids			Ranch, feedlot and packing data via Electronic ID for herd improvement and marketing
Noland Ryan's Tender Aged Beef	Charlie Bradbury (936) 436-1622	www.nolanryanbeef.com	Retained ownership	NA	All: Prefer \geq 50% Bos indicus	\geq Se	\leq 2.9	600-850	USDA certified, branded beef program. Requires producers to follow production guidelines
Performance Plus	Don Cain Jr. (888) 269-8387	cnvs@alltel.net	Enrollment	8/head	All				Information tracking and verification by veterinarian for calves retained or sold through local sale barns.
Precision Beef Alliance	Holly DeVore (712) 769-2640	www.precisionbeef.com	Source verification	\$600	All	\geq Se	1,2,3	Mult. Grids	Producer network documents production and carcass information to market on value-based grids.
ProBeef Producer Network	Dale Effertz (701) 663-9798	www.probeef.com	Member enrollment	5/head	Prefer \geq 50% Continental	\geq Se	\leq 3.9	600-950	Marketing program for retained ownership cattle that meet high yield specs.
Purina Cattle Management Services	Hank Payne (830) 379-5004		Must retain 30% or up to \$100/head	0.50-8/head	All	Market under various alliances			Consulting and record keeping services to producers and help finding the best market for cattle.
South Eastern Beef Improvement Program	Mark Williams (270) 965-4307		Option to retain at least \geq 25%	None	All	Sold on grid			Must be genetic customer of Triple W Farms or Wakefield Cattle Co.
U.S. Premium Beef	Tracy Thomas (816) 891-2300	www.uspremiumbeef.com	Membership \$100/year or \$500/life	Must own or lease shares	All, except Holstein, high % Bos indicus	Ch	\leq 2.9	550-975	Producers own Farmland National Beef and share in packing company profits
Vet Ranch Marketing Assn.	Ric Bennett (888) 882-4909	vma@gte.net	None	6.75-8.25/head		NA	NA	NA	Cattle preconditioned and weaned prior to sale. Performance and carcass data collected.
Hi-Pro Producers Edge Program	Gerry Smith (806) 374-1811		Weaned and conditioned	None	All except dairy and longhorn	NA	NA	NA	Provided \$8 premiums for calves preconditioned and weaned 45 d on the ranch
Hitch Enterprises	Bill Hogan (316) 275-6181	www.hitchok.com	Retained ownership	4/head for carcass data	All	Market under various grids/alliances			Assists retained ownership customers to identify appropriate marketing grid and collect carcass data.
Laura's Lean Beef Co.	Tina Murphy (859) 299-7707	www.laurasleanbeef.com	Forward contract or day of delivery	None	Most Exotics	\geq Se	1	575-800	Supplies lean all natural beef with no hormones or antibiotics
Lean Limousin Beef Co.	Carlton Noyes (308) 234-9787		Option to retain ownership	None	50-75% Limousin	High Se	1,2	650-900	To produce branded, premium-quality beef for the high end restaurant market.