



## Why Focus On Carcass?

**Hedge (hěj) noun.— an investment or strategy to reduce the risk of adverse price movements in an asset.**

The price erosion and volatility experienced in the fed cattle market during second half of 2015 is continuing into 2016. The fed cattle market traded from \$117 to \$150 during the last 9 months. As we expressed in the spring of 2015, we feel a “genetic hedge” is still the best way to offset the effects of such a volatile market.

We define a genetic hedge as a strategic investment in Angus genetics that emphasizes efficient post-weaning gain and carcass quality, thereby enabling our commercial customers to retain ownership and capture the added value by selling cattle on a quality-based grid. Such a hedge offers protection against financial loss.

We use the genetic hedge ourselves as evidenced by the recent marketing of several loads of steers from GAR commercial cows. The most recent load of 38 steers sired by young GAR sires left the ranch at 852 lbs and spent 143 days in the feed yard with a cost of gain of \$82/cwt. They were ready to harvest at 1412 lbs. If we would have sold them on the live, cash market they would have returned \$1,877.82 and we'd have lost \$72.38

per head by feeding them. Instead, they went to U.S. Premium Beef and graded 96% Choice or Prime. The steers earned an average premium of \$185.55 on the USBP grid and turned a \$43 profit over our breakeven price. In our case the genetic hedge made the difference between a good decision and a bad decision when it came to feeding these steers.



**“We want to thank Gardiners for doing this structured sire evaluation. The only way to improve your cattle is to keep careful records and test them to be sure they are what you think they are. This is why we buy GAR sires!”**

—Joe Mayer, Mayer Ranch, Guymon, Okla.

What we attempt to do every day is identify the genetics that provides our customers with a genetic hedge. A good explanation of this process is presented in a video entitled “Collecting Car-



**“I give a lot of credit for our success at the packer level to the high quality genetics we obtain through Gardiner Angus Ranch.”**

—Sam Hands, Triangle H, Garden City, Kan.

cass Data” posted on our YouTube page (<https://www.youtube.com/user/GardinerAngusRanch>). That video describes our constant effort to identify, validate and multiply the best genetics in the breed for economically important carcass traits.

The most meaningful reviews of our efforts come from two of our best customers, Joe Mayer, Guymon, Okla., and Sam Hands, Garden City, Kan.

The bulls in the 2016 Spring Sale offer a great opportunity for you to gain the genetic hedge. This year's sale bulls have an average marbling EPD of +1.13, and an average CW EPD of +41. This places the average of the sale bulls in the Top 3% of the breed for marbling. In fact 120 of the sale bulls, 29% of the sale offering, have a marbling EPD >1.27, placing them in the Top 1% of the breed for marbling. There are many bulls in this sale that will sire progeny yielding high-quality carcasses that excel on a quality-based grid. Simply put, they are the genetic hedge!

