

SPRING 2003

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Robert, Sarah, Jacqui, Kaitlin and Tony

JUDGING A BOOK BY ITS COVER

The best winter/spring season in years and a recent visit to the Melbourne Show has demonstrated how cattle respond to a decent feed. The stock are looking magnificent at the moment – fat, black and shiny and the calves almost bursting at the seams. There is no doubt that visual appeal contributes in large part to the satisfaction of owning cattle.

Yet our common sense will tell us that these good looks do not necessarily sustain the business side of our enterprise. Intuitively we know that low costs of production, high fertility and growth rates, ease of management and market acceptability determine our profitability. This in turn determines whether we remain in good financial shape for the future. From a stock perspective we believe that the genetic package makes a difference.

Calves with structural soundness, a calm temperament, high fertility, calving ease, udder quality and the ability to grow and produce a premium carcass – these are the things that we strive for. This is the "book" we are happy to be judged by. This is the path we are following in our attempt to help your business grow.

THE LATEST FROM THE USA

Dr John Edwards from Express Ranches, USA was recently in Australia to judge at the Melbourne and Perth Royal Shows. He spoke at an ABIA "Certificate of Excellence" Field Day at High Spa Angus, Daylesford. Some of the key points from his address were:

- The US Beef Industry is doing the "best ever" at all levels. The next 4-5 years look good for profit.
- 85% of US beef owners have approx. 30 cows.
- Marbling drives beef value in the US.
- The commercial beef industry in the US is becoming blacker and blacker. "Angus type" cattle are 50% of the total population.
- Birth weight/ calving ease considerations are more important than ever.
- The milk EPD is not considered important [average milk OK for Angus].
- Increasing AI use in heifers [using proven calving-ease bulls].
- Black poll cattle easiest to sell [red horned cattle the hardest].

DON'T ARGUE!

THESE ARE 3 HOURS you can't afford to miss – at a venue near you

FREE: INFORMATIVE: PROFIT BOOSTING:

Dr Rod Manning, Vet and Angus Breeder, Mansfield
"What drives profit in a beef enterprise. Opportunities for all of us."

Dr Richard Simpson, CSIRO Plant Industry, Canberra
"Driving your fertilizer dollar further – Better pastures, more profit."

Dr Libby Salmon, CSIRO Plant Industry, Canberra.
"Using technology to assess the hidden potential of our paddocks."

Locations and Times:

Violet Town Community Centre

Mon 3 Nov. 2003 9am – 12 noon

Moyhu Hotel

Mon. 3 Nov. 2003 2pm – 5 p.m.

Molesworth Hotel

Tues. 4 Nov 2003 9am – 12 noon

MORNING / AFTERNOON TEA PROVIDED

Dr Phil Holmes' portrait of a successful beef enterprise.....

At a field day at the Wirruna Poll Hereford Stud at Holbrook on 8 October, Farm Management Consultant Dr Phil Holmes painted the following pen picture of a successful commercial beef enterprise. How do you compare? Contact Phil on 02 94997900 for more details or advice.

We employ \$2,240 in total assets per hectare and the *primary business objective* is to achieve a *three-year average return* on those assets of 8% before interest and tax. The *current profit before interest and tax target* is therefore \$179 per hectare.

Labour efficiency has averaged 8,500 dse's per labour unit for the last 3 years. Labour and labour related items are the biggest expense for the business. *Operating scale* is not a constraint to the efficiency of this business. Our historical three-year average *cost of production* is \$0.62/kg liveweight and our breakeven price is \$0.71/kg. Our historical three-year average *net price received* is \$1.36, to give an *operating margin* of \$0.74 and a *margin above breakeven* of \$0.65. To achieve our profit target, we need to produce 242 kg of beef live-weight per hectare per annum.

In the shorter term we will:

- Turn-off steers in the top 20% weight decile range for the target market weight specs.
- Retain at least 90% of heifers for mating.
- Maximise the net reproductive rate for the herd in its operating environment. The three-year target is 90% calves weaned to females mated with no more than 5% heifers assisted.
- Reduce the average age of the breeding herd to no more than 4 years.
- Increase labour efficiency to at least 12,000 dse's per labour unit.

In the longer term we will focus exclusively on holding our operating margin above \$0.50 by:

- Continuing to invest the appropriate amount of retained profits in *pasture performance, Infrastructure, genetics and human resources.*
- Ignoring fads, gurus and side shows.

Our **biggest business challenge** is to source good genetics at the right price from seedstock producers who know what they are doing.

UDDERLY FANTASTIC

A better than average Spring certainly puts pressure on a freshly calved cow's teats and udder – and reminds us of the fundamental importance of this part of the cow's anatomy. Calves need to quickly suckle on a conveniently sized and placed teat to receive that colostrum so vital to their early health. Our colleagues in the dairy industry [from whom we can learn much] place great store in "vessel" genetics. They know that you can achieve a high-quality durable udder that will easily cope with the Spring nutritional flush AND provide plenty of milk – provided these attributes are built into the pedigree. Dairy bulls producing daughters with poor quality udders are quickly discarded, however good they are in other respects.

There are four things we look for:

1. Strong fore-udder attachment – the udder should "run-off" the belly in a straight line.
2. Strong rear suspensory ligament – as demonstrated by a relatively deep cleft in the rear quarters of the udder when viewed from behind.
3. Strong rear udder attachment – demonstrated by how high up the rear legs the skin of the udder attaches and blends with the skin of the leg when viewed from behind.



Poor udder attachment

[Dairy cattle are often exceptional in this regard]

4. Moderately sized and shaped teats – particularly avoid "carrot" teats. Super-numary [extra] teats are also undesirable, but small ones occur on the rear of the udder fairly frequently in our experience, without causing any problems.

Freshly calved heifers with poor udders are definite culls – problems seen at this stage will only get worse with each subsequent lactation.



Photo courtesy of Jersey Journal

\$Index values sort out the EBV dilemma

A recent Advanced Genetics seminar I attended in Leura in the Blue Mountains championed the use of \$ Indexes in ranking animals of genetic merit, through an evaluation of the likely NET PROFIT to be generated from their progeny. Use of these indexes cuts out the necessity to pore over individual EBVs in selecting appropriate sires for a target market.

Similar indexes are used at high levels in the pig and poultry industries to direct their elite breeding programs. They are starting to be used by dairy and wool sheep breeders. The beef industry is fortunate to have received MLA funding for University of New England workers to develop economically-savvy \$ Index values for the three main temperate-region beef target markets [Japanese B3, Certified Australian Angus Beef and the Supermarket trade].

The \$Index values are derived from a pre-determined weighting placed on various EBVs. They provide the appropriate emphasis [and balance] to achieve progeny suitable for the target market. Comparisons of the values for various bulls enables you to estimate the extra revenue that one sire is likely to generate over his lifetime compared to other sires. This then provides a strong indication of the relative price it would be reasonable to pay for such a sire compared to others.

In a self-replacing herd there is an additional benefit from the improved genetic quality of retained heifers in addition to the increased revenue likely from steer sales.

Using the JAP B3 [long-fed export market that values marbling] \$Index values provided for bulls in our April 2003 catalogue, Lot 29 had a \$Index value of \$86 and the value for Lot 32 was \$56 i.e. a difference of \$30. In theory, how much more valuable was Lot 29 for producing calves for the B3 trade? [Both bulls had similar structural scores and calving ease figures]

If both bulls produced 100 B3 steer calves during their herd life, Lot 29 would produce an additional \$15 per calf [i.e. half of the \$30 difference because half of the calf value is derived from the cow].

This amounts to \$1500 more revenue from Lot 29 than Lot 32. Given that Lot 29 was sold for only \$150 more than Lot 32, someone received a bargain, with the extra value of retained heifers an additional bonus.

The table below extrapolates the \$Index differences for varying numbers of calves that a bull may produce in a lifetime, giving the expected additional profit he will generate.

PROFIT CALCULATOR

\$Index difference	Number of calves sold to target market				
	50	100	150	200	250
\$10	\$250	\$500	\$750	\$1000	\$1250
\$20	\$500	\$1000	\$1500	\$2000	\$2500
\$30	\$750	\$1500	\$2250	\$3000	\$3750
\$40	\$1000	\$2000	\$3000	\$4000	\$5000
\$50	\$1250	\$2500	\$3750	\$5000	\$6250
\$60	\$1500	\$3000	\$4500	\$6000	\$7500

BEEF WEEK AND ANNUAL SALE 2004

The Beef Week open day in 2004 for our area is Thursday 29 January.

Plan now to find the time to visit as many studs as you can on this "no rush – no fuss" field day.

We will have a comprehensive display of our seedstock on show: Bulls, Heifers and Cows with Calves at foot, including cattle for sale in April. Plus prizes and information on the latest developments in Angus genetics.

Our Annual production sale day in 2004 is Monday 5th April. This year there will be females as well as bulls for sale.

More details next issue.

ON THE LIGHTER SIDE



Actually we were just trying to boost numbers when you rang -

Courtesy David Storey, U.K. "Farm Yarns"

CALVING EASE AN ABSOLUTE PRIORITY IN SELF-REPLACING HEIFERS

Despite the horror stories of dystocia [difficult-calving] in heifers this Spring, we have just come through one of our best calvings ever, despite the drought post-weaning and the recent Winter/ Spring flush. Maybe it was "luck", possibly it was better management, perhaps it was the result of our pursuit of calving-ease genetics for the last 5-6 years. Most likely it was all three and I'm not complaining. However the issue warrants analysis. I was brought up in the school that described dystocia as simple foeto-pelvic disproportion i.e. the foetus [unborn calf] was too big and/or the [bony] pelvic canal was too small. Angus and Jersey cattle had a reputation for easy calving. Herefords and Friesians the reverse.

Increasing pelvic size to fix the problem didn't work, because a bigger pelvis meant increased frame size and even bigger calves. Using bulls that produced smaller calves [lighter than average birth weights] provided some immediate relief, but often at the considerable expense of lower lifetime calf growth rates and increased calving difficulty in retained heifers in self-replacing herds. Academics now confirm the genetic correlations to establish that pedigrees do influence calving ease – both direct and next generation – notwithstanding that management of heifers from their earliest days remains very important for maximum calving ease.

Although I have heard some people claim to "never" have a problem, that has not been our experience. Mansfield vet Dr Rod Manning's view is that around 5% of assisted calvings in Angus heifers is normal. It is interesting to note that one-leg-back and head-back malpresentations are also ascribed by some to be a symptom of a smaller than desirable pelvic opening that deflects the leg/head as the calf is being propelled forward for birth.

However I am now convinced that the issue is far more complicated than I was initially taught. Regular readers of this newsletter may recall my analysis of EBV tables that indicated the important influence of calf **shape**. Analysis of tens of thousands of performance records by UNE staff now show that light calves in some blood lines have relative difficulty in being born, while heavier calves in other blood lines are born relatively easily. It is reasonable to assume that pelvic shape of the cow [as distinct from size as measured in square centimetres] and the shape of the calf [as distinct from size/weight] also have an influence, again with genetics being the primary determinant. In both cases it is likely that only small differences will significantly influence the outcome.

I have also encountered two other dystocia syndromes that are worth mentioning:

1. Lack of "slackness" of the vulval opening when the heifer goes into labour.

2. Uterine inertia [failure to push]

We do not have sufficient records to establish a pedigree relationship for these syndromes and formal Breedplan recording does not attempt to differentiate dystocia other than on physical-input grounds [easy pull, hard pull, malpresentation or caesarian]. In both of the above syndromes foeto-pelvic disproportion is certainly not the issue. In the former, once the vulval opening is stretched sufficiently to allow the calf's head to be born, the rest is easy. The same applies in the inertia syndrome, with the cervix fully dilated, the calf sitting in the pelvic canal and almost "falling out" once traction is applied. This I suspect

may have a nutritional cause [possibly oestrogenic clovers] although Friesian cattle are notorious for "throwing in the towel" when calving, so again genetics may play a part.

What are the messages in all this? Certainly prevention is better than cure. I surprisingly do not agree with some people who advocate disregarding the pedigree of the mating sire [even with Angus] to "put some selection pressure" into the picture.

To me, wasting heifers through preventable calving difficulties is a cost we can't afford. In my view, it is folly to ignore reliable

information about the expected calving ease, both direct and in daughters, for the progeny of particular bulls. While this specific information is rarely available for young bulls, information from their sire and maternal grand sire will provide a useful guide. When coupled with appropriate heifer management [see the series of "Heifer" articles in previous newsletters – available on request if you don't have them] managing growth, fitness and avoiding set-backs, you are well on the way to minimising potential problems and boosting the genetic advancement of your herd.

Use of well-proven calving ease bulls [both direct and daughters] on your heifers through AI is worth considering if you have a current problem and want to quickly and effectively work your way out of it.

R. Campbell, B.V.Sc.



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