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2009 GEORGIA BEEF CHALLENGE

The 2009-10 Georgia Beef Challenge got started with a load of calves shipped the first week in July. Since that time, over 400 head of steers and heifers have been placed on feed with the Tri-County Steer Carcass Futurity in Iowa. In addition, lists for future shipments have been started.

In an effort to keep you informed of activities concerning the Georgia Beef Challenge, the July 29 annual meeting notes are included in this newsletter. In addition, attached is a copy of the 2009-10 Rules.

If you have questions, feel free to contact Dr. Ronnie Silcox (706/542-9102 or rsilcox@uga.edu), Dr. Robert Stewart (706/542-6259 or rstewart@uga.edu), or Patsie T. Cannon (229/386-3683 or ptcannon@uga.edu). Also, as you determine your numbers for shipment, please contact Cannon so your calves can be added to the lists.

For your convenience, the 2009-10 Georgia Beef Challenge Rules and Forms are posted at www.tifton.uga.edu/pc-web. Feel free to view any of the other information that is posted there as well.

We are happy to announce that \$89,960 in Age and Source Verification Premiums have been returned to Georgia Beef Challenge producers on their calves that were harvested between March 19, 2007 and August 5, 2009. If you have not completed your Age and Source Verification Training, please contact us to work out a schedule.

GEORGIA BEEF CHALLENGE ANNUAL MEETING **July 29, 2009 – Athens, GA** *Notes*

At least 51 people were in attendance.

Dr. Ronnie Silcox presided. He welcomed everyone and then introduced John Woltmann, Manager of the Tri-County Steer Carcass Futurity (TCSCF); Bruce and Ruby Bentley, owners of Bentley East and participating TCSCF feedlot operators; members of the Steering Committee; Dr. Roger Ellis of the UGA College of Veterinary Medicine; and Bill Nutt, President of the Georgia Cattlemen's Association.

Woltmann gave a brief update on the status of TCSCF and its relationship with Iowa State University. He reported that there has been a huge shakeup in Iowa State Extension. All County Extension Agents were released, and five offices around the State have officially closed. Early retirements have been offered to some individuals. Darrell Busby will retire January 31, 2010, and will work for TCSCF, along with doing some consulting. Woltmann will drop back to parttime. Busby's and Woltmann's hours will amount to one fulltime employee. In an effort to help cover some of the new expenses that must be absorbed as a result of the extreme cutbacks by Iowa State University, the price of carcass data will go up to \$9 after September 1. In addition, TCSCF must now pay for all office-related expenses (telephone, copies, etc.); producers are being asked to use cell phones and email as much as possible. Leann Tibken will be hired to continue as the bookkeeper for TCSCF.

He stated that there are now 10 feedlots feeding for TCSCF; seven returned from last year, and three new feeders have been contracted. He pointed out that TCSCF has grown tremendously since their first year of feeding 106 steers from 35 consignors to their having fed 66,620 calves during the last ten years from 16 states and Manitoba. He explained that TCSCF has a 10-member Board that is responsible for the oversight of the entire cattle feeding operation.

Woltmann discussed some of the results of the Profit Comparison that was conducted on calves fed during 2008-09. Efforts were made to try to determine some of the factors affecting percent Low Choice and percent Premium Choice rates. Fat Cover, Feed to Gain, and Quality & Yield Grade figures on 23,661 head were studied. Their goal is to reach a Fat Cover between 0.40 and 0.45 while keeping the feed costs down. Calves appear to be the most profitable when they end up in that Fat Cover range. They feel that they are about 80 – 85 percent successful with their sorting; they are not perfect, but they continue to search for greater results. They see very few dark cutters, and this goes back to how the cattle are handled during the 18 hours prior to going to harvest. With dark cutters, the carcass is almost black. During 2008-09, approximately 17 percent of total calves were pulled for health treatments. One treatment appears to not affect the quality of the meat; however, two or more treatments do.

He pointed out that if producers contact Patsie Cannon, she can provide final and financial reports of just their data.

Dr. Curt Lacy, UGA Extension Economist for Livestock, led the discussion concerning the financial performance of Georgia Beef Challenge calves during 2008-09. Lacy predicts that there might be some profit potential during the coming year.

Those in attendance approved the Risk Management goals as presented by the Steering Committee that met earlier today. (Bill Nutt/Eddie Bradley) The overall objectives and goals are as follows:

- 1. Use the best tools available to insure the best protection for the cattle in a pen. Do not work towards a specific profit figure; use futures, options, or LRP insurance to protect as much of the value of the calves as possible. The Risk Management Committee (Lacy, Collins, McKissick) has the flexibility to use the best tools in each situation.**
- 2. If an option is used, the Risk Management Committee has permission to spend up to \$25 on an option rather than buying an option for the breakeven value of the feeders.**
- 3. Instead of waiting for the first report, once the calves arrive at the feedlot, the Risk Management Committee is to go ahead and purchase one-half of the corn with the flexibility of purchasing more if the price is appealing.**
- 4. If a producer has a contract worth of cattle in a pen, then he/she can opt to do his/her own risk management. The Risk Management Form must be completed and signed by producers before the cattle leave Georgia. A producer can use his/her own broker, or he/she can consult with Lacy, Collins, and/or McKissick. In addition, a group of producers with enough cattle in the same pen may work through Lacy to do their own risk management.**

If a situation occurs in the industry that demands attention, then the Risk Management Committee is prepared to meet and modify any of the above strategies.

Ted Dyer, UGA Extension Animal Scientist for Beef, shared a presentation, "The Beef Industry Today." He pointed out that the number of cattle on Georgia farms decreased 2 percent from January 2008 to January 2009. At the present time, there are 94,491,000 head of cattle in the United States, while there are 1,110,000 in Georgia. The number of cow/calf farms continues to decrease. As of January 1, 2009, Jackson County led Georgia in the number of cows at 29,000 head, while Franklin County followed with 26,000. Globally, the United States is 4th in overall cattle inventory and 1st in Beef Production. We continue to produce more with less because of our

efficiency. Predictions for the future are that the United States population will increase 12 percent by 2020; we will be able to produce all the beef desired with the same number of cows as today or possibly even fewer cows; we still have room for efficiency, especially through improved genetic selection; we must focus on new product technology – DNA Profiling, Estrus Synchronization, Beef Quality Assurance, and Animal Identification and Traceability.

Dyer mentioned several of the established UGA programs that are geared to assist livestock producers: Bull Evaluation, Heifer Evaluation and Reproductive Development Program, Georgia Beef Challenge, and the Master Cattleman's Program.

Dr. Bob Smalley, veterinarian located in LaFayette, Georgia, and Georgia Beef Challenge consignor, announced the location of a relevant website that allows one to express an opinion and vote on current hot topics affecting the agricultural industry today.

Dr. Lawton Stewart, UGA Extension Animal Scientist for Beef, shared a presentation, "Utilizing By-Products for Beef Cattle." He pointed out that during the last few years a number of events have caused producers to search for alternative feed sources: the economy, beef prices, feed prices, and an ethanol plant constructed in South Georgia. Producers must answer a number of questions including: What's Available? What is the Price? Can We Handle and Store It? The potential for by-product feeds can be found in the grain industry, cotton industry, sugar and starch production industry, and the vegetable industry. He shared his results of two studies conducted near Athens involving feeding by-products.

A number of handouts were available for those in attendance, including the Summary of 2008-09 Georgia Beef Challenge (as of 7/29/09). The spreadsheet included 1,175 head of cattle and the averages of each pen of cattle that had already been harvested as well as the overall averages. A total of 1,516 calves were shipped during 2008-09; four pens still remain to be harvested. As of July 29, 2009, a total \$30,100 in Age & Source Verification premiums has been returned to Georgia on the 2008-09 calves.

On behalf of the Georgia Cattleman's Association, Bill Nutt expressed appreciation to all those involved with the success of the Georgia Beef Challenge and TCSCF.

There being no further business, the meeting was adjourned.

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