

Dalebanks Digest

Fall 2016

Flexibility

Cattlemen are a pretty independent bunch. We prefer options to mandates. Whether it's purchased inputs, genetics, or marketing choices, chances are good that you and your neighbors don't do things exactly alike. You like to maintain your flexibility.

At Dalebanks Angus, we're ok with that. In fact, we're just like you. We utilize fairly non-traditional management practices ourselves, and we try to stay flexible enough to change as conditions warrant. We develop bulls and replacement females on low-energy forage rations. We use no-till and cover cropping to limit inputs in our farming enterprise. When it comes to genetic selection, we don't follow the trends of single-trait selection or the race to make the biggest (or smallest) framed cattle. Instead, we constantly survey our customers and the entire beef industry and strive to produce consistent genetics that excel in ALL traits of economic importance. While there's nothing sexy about balanced-trait cattle today, we believe they are what keep you, our customers, in business for the long haul.

In this year's bull sale, we are offering more flexibility for customers purchasing Dalebanks genetics. First, thanks to embryo transfer and incremental growth in our cow herd, we will offer **MORE BULLS**. This equates to more flexibility and more value for our customers. In addition, we will video and **broadcast the bull sale online** through LiveAuctions.tv. We—and most of our customers—prefer viewing the bulls in person, and the bulls will **STILL** walk through the ring, as they always have. This simply adds flexibility for folks who are unable to attend on sale day. Finally, we are offering a "Come and Get

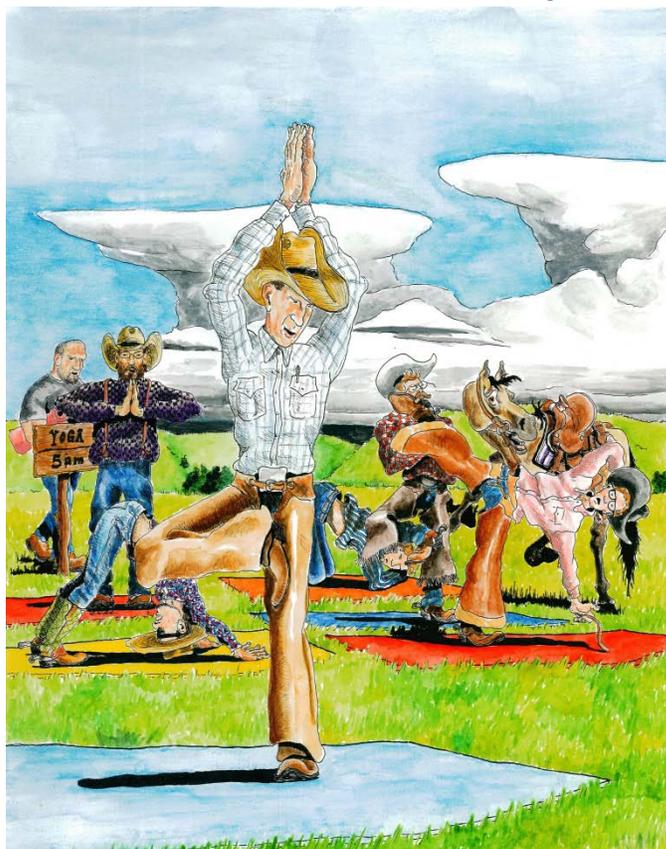
'em" credit on bulls picked up sale day or shortly following. For all **bulls picked up sale day** or the following week, we will **deduct \$100/bull** from the purchase price.

For years, our customers have told us that the primary reason that they purchase Dalebanks genetics is the integrity and predictability of their data and the dependability that the bulls themselves offer. We believe that added services like individually freeze-branded bulls, calf marketing assistance and management consultation are of value, as well. But the true worth of Dalebanks genetics is exactly as Bert Barrier quoted shortly after starting the Dalebanks Angus herd in 1904: "We strive to produce an animal that profits its owner through its production."

Perhaps the most valuable options are the same ones that have been bred in to Do-It-All Dalebanks bulls for decades. Traits like calving ease, quiet dispositions, rapid early growth, exceptional cow longevity, and excellent end-product merit are traits that keep cowmen in business. Regardless of how you purchase these genetics, when you pick them up or when the market dictates that you sell their progeny, they should give you the flexibility to make PROFIT in today's beef industry.

"Flexibility on the Frontier"

by Eric Burden,
Dalebanks Angus Cowman



Access Dalebanks anywhere

Check out our new mobile-friendly website, like us on Facebook and follow Dalebanks on Instagram. We love to stay connected with our customers and counterparts in the beef community, so please comment, call or come by anytime!



Annual Bull Sale Saturday, November 19, 2016

Selling 140 yearling and coming 2-yr-olds

Sale books will be mailed and videos will be available at www.dalebanks.com in late October.

The Bulls

For 112 years, our family has strived to mate and manage cattle that balance the many traits that affect profitability in the commercial beef business. With Dalebanks genetics being used across the nation, they must be adaptable to nearly all regions. Even within these regions, the management and marketing practices of our customers vary greatly, as well. So regardless of nutrition program, climate or marketing window, our customers expect the “Do-It-All” nature of Dalebanks genetics to give them the flexibility to manage and market their cattle as they see fit.

Reproductive losses, calving difficulty, poor feedlot performance and low-grading carcasses hurt the cowman’s bottom line. It is not our goal to promise extreme performance in any set of these traits, but we endeavor to satisfy our customers with sound, docile bulls that maintain condition, get females bred, deliver calves unassisted, sire rapid early growth and meet grid targets. We also expect these bulls’ daughters to be moderate-framed, sound-uddered females who stay in the herd for many years.

Genetic tools today give us the opportunity to effectively produce genetics that can meet thresholds for many recorded traits. All bulls selling have been genomic tested, and this information is included in their EPDs. In addition, most of the bulls’ dams have genomic profiles, as well. As in the past, all bulls have been weighed and measured for all EPD traits processed by the American Angus Association. These tools, coupled with the no-nonsense selection methods that we use in the management and selection of our cowherd result in consistent, honest bulls that should meet or exceed expected results in many traits of economic importance.

The 140 bulls in this year’s sale represent the top end of over 250 male calves born in the Dalebanks program in 2015. They have been developed on a moderate nutritional program to allow for expression of their genetic potential without compromising their structural integrity, fleshing ability or longevity. We look forward to your evaluation of these sound, rugged, hard-working bulls on November 19th!



505 on pasture in May. War Party x Promptitude 9506. He sells 11/19/16!

What Goes Up...

In last fall’s newsletter, we cautioned readers on the use of absolute values of the American Angus Association’s Dollar Value Indices (see Up, Up and Away, Fall 2016 *Dalebanks Digest*). These \$Values drastically increased mid-summer thanks to higher economic assumptions in the formula. As we predicted, these dollar value indexes ratcheted back slightly this summer with lower prices for both weaned calves and carcasses.

Before we get too far, let us again review the basics. **\$Values are multi-trait bio-economic indices that take into account an animal’s genetic predictions (EPDs) as well as the market levels for industry inputs and outputs.** Put simply, it gives us an idea of the relative differences of two sires’ progeny in potential profit (dollars), instead of production (pounds, etc). For example, the \$Weaning index will take WW EPD and weaned calf price to determine revenue. It will simultaneously calculate feed prices and EPDs such as calving ease, mature weight and milk to estimate cow costs. \$Beef takes into account revenue drivers in the feedyard and processing segments such as YW, Carcass weight, Marbling and Ribeye area. But it also weighs costs of gain and efficiency EPDs, plus discounts for things like heavy weight carcasses, YG 4/5 cattle and low-grading carcasses.

Since the inception of the AAA \$Value Indices in 2004, beef prices have experienced annual increases. And with the exception of price surges from 2007 through 2012, average feed and forage prices have held fairly constant or even decreased in recent years. So even if genetics (EPDs) had not improved during that time, the \$Values would appear “better” due to these improving economic factors.

In their truest form, \$Values were designed to give commercial cow-calf producers a simpler way to make simultaneous change in multiple traits that affect their bottom line. But sometimes seedstock producers are guilty of using SELECTION TOOLS solely as MARKETING TOOLS. Granted, they should serve both of these roles, but it takes an understanding of how these tools are calculated to explain sudden changes in the numbers.

Now don’t get us wrong, we still believe that \$Values are powerful tools that can be used to better source genetics to make progress in commercial herds. **And with today’s price levels, \$Values illustrate that there are still exponentially greater value differences between genetics that meet targets for gain or grade and those that fall short of these expectations for performance.**

But users of these indexes must be aware of the market side of the equations. With lower market prices in the beef complex, \$Values have followed. It does not mean that the genetics are “poorer” than they were prior to these lower economic assumptions; it is simply a reflection of today’s more realistic market conditions.

Provided their primary use remains as a selection tool to simultaneously compare two or more animals for multiple traits, there will be little confusion. As with any genetic predictions, we welcome your questions about these important selection tools.

Reputation Cattle

by Matt Perrier

Originally printed in the Kansas Stockman, Aug '16

The fall run of calves soon will be coming to town, and auction markets will be touting strings of “reputation cattle” for sale. Though this phrase might be used for varying types of cattle, it is an endearing term typically granted to high-quality lots as they are sold.

So what is the value proposition on these so-called “reputation cattle”? Buyers expect the cattle to offer predictable performance and end-product merit. Most anticipate consistent, fault-free cattle that deliver added value to their businesses. Buyers, however, are not just paying more for the cattle. They’re actually investing in the trust and integrity of the producer. For cattle that fit these qualifications, calf buyers compete aggressively, thus rewarding the producer with a premium price.

I believe consumers have similar expectations of our beef community. They want quality, consistency and compliments from their family when beef is served. They want to purchase wholesome beef raised by folks they can trust. And, just like calf buyers, they’re willing to reward us with dollars when we can meet or exceed their expectations.

So what does it take to produce reputation beef? Good genetics and management, for starters. We have demonstrated significant improvement in both these categories over the past decade or two, as evidenced in the checkoff-funded Beef Quality Audit.

But I believe there is more. For beef lovers, our product goes beyond merely a portion of protein. It’s sizzle. It’s a connection to the western lifestyle. It’s Americana. It tells a story.

Sure, a sizzling steak speaks for itself, but we can add to its legend. As John Butler, co-chair of the Beef Industry Long Range Plan Committee for 2016-2020, stated during the KLA Convention last December, “We’re great at telling our stories at the county meeting and cafe, but we fail miserably when it comes to telling folks who really need to hear them on the coasts and in D.C.”

Consumers are taking into consideration our stories about how beef is produced when making purchasing decisions today. Marketing claims such as grass-fed, hormone-free, humanely raised and locally grown demonstrate today’s beef buyers clearly are searching for stories of how food gets to the table. If we don’t tell our positive stories, the well-funded groups that vow to force animal agriculture out of business gladly will tell their ugly versions.

I don’t believe our stories have to be focused entirely on the science or production methods. They simply need to foster a connection between consumers and the beef community. Each of us has a story to tell. It may be of a multi-generation cow-calf operation in the Flint Hills. It could be a stocker operation that began with leased acreage, a leveraged pickup and a whole lot of luck. It might be a dairy or feedyard that started as a farm family’s way to diversify and add value to harvested crops. Regardless of where we fit in the beef picture, we are in this together and we all have a great story to tell. Surveys repeatedly show consumers trust farmers and ranchers. They want to hear the story of their steak, and they want to hear it from us.

So as your “reputation cattle” are sold this fall, do more than simply tell potential buyers about

vaccinations, genetics and weaning protocols. Whenever possible, on social media, at civic gatherings or in local classrooms, tell the world how and why you raise the world’s premier protein. Convey the care, respect and endless hours you and all our beef community put into every ounce of delicious steaks, burgers and roasts served on dinner tables around the world.

Make sure beef’s true story is told by the folks who know it best: those who have built their reputation on it.

While we don’t get a chance to frequent all of our customers’ local livestock markets, we are pleased to hear of how often their cattle top the offering when they sell. We know that reputation genetics help in this regard, but the management and integrity of you--the commercial producer selling them—is equally important.

If you’re selling Dalebanks-bred progeny this fall, please contact us prior to sale day. We’ll distribute information about the cattle to potential buyers and help you tell the story to buyers about your “reputation cattle.”

True Value

Over the past couple of years, more than one cattleman has asked the question, “What’s driving this market?” Regardless of when it was on its way up or when we see a downturn, it is our nature to want to know why.

During the 2016 Beef Improvement Federation (BIF) conference last May, KSU Ag Economist Dr. Ted Schroeder stated, “The only source of new money in the beef industry is from the consumer.”

And today, this consumer is voting loudly with their dollars. They’re voting for high-quality eating experiences. They’re voting for consistency. And these vote tallies are evident in the beef marketplace. At one point this summer, the choice-select spread reached over \$20. And the CAB and Prime spreads over choice are even more impressive. Sure, overall beef prices are lower, but there is still huge demand for **high quality** beef.

The most-asked question I receive before each year’s sale is, “What are bulls going to cost?” My answer is always the same. Dalebanks bulls over the last decade have averaged approximately what six head of weaned steer calves are worth on the open market, with our top-end bulls fetching higher prices than that.

But the real question should be “How much value is there in Dalebanks bulls?” As we visit with customers, we hear time and again that Dalebanks bulls don’t come with a lot of frills, but they do what they’re supposed to do:

- Their progeny perform like their EPDs say they should...very few unwanted surprises.
- They don’t “fall apart” during the breeding season.
- They are aggressive breeders, but gentle to handle.
- They are sound footed and ready to travel.

So given these descriptions of the genetics—and the bulls themselves—we believe that the VALUE of these bulls should be very high. Quite likely, higher than “average” Angus bulls are bringing elsewhere. It will be up to you, our customers, to determine what the prices will be.

Honestly, given today’s market, bulls will likely be more reasonably priced this year than they have been in the past couple of sales. But as we have said many times, our goal is not to have the highest bull sale average, it is to offer the most valuable genetics to our customers, so you can have the highest profit margin.

Annual Bull Sale

Sat., November 19, 2016 * 12:30 pm

At the ranch, 3 ½ mi NW of Eureka

Selling **140 bulls**

75 coming 2's, 65 fall yearlings

Ultrasounded, fertility tested and ready to work

*Sired by: Composure, Complement, Counselor,
Upshot, 454, Thunder, Comrade, Bismarck,
Prophet and others.*

This year's bull offering illustrates our family's 112-year commitment to balanced-trait, profitable bulls produced for the commercial cattle producer.

- Their EPDs show that they excel in a **complete** range of AHIR-recorded traits.
- Their phenotypes indicate that they are sound-structured, moderate bulls that should perform well in a variety of environments.
- Bulls were developed on a forage-based ration and have spent the majority of their lives grazing native grass in the Flint Hills.

Dalebanks Females For Sale Private Treaty

20 Registered fall-calving cows

Calving Oct 20-Nov 25, 2016

6 Registered Heifers

Calving March-April 2017

20 Registered spring-calving Cows

Calving in April 2016

*Invest in these balanced-trait, no-nonsense genetics,
and put the Dalebanks Difference to work in your
operation.*

Contact us anytime...

The Perriers www.dalebanks.com

Tom & Carolyn 620-583-6956 tperrier@dalebanks.com

Matt & Amy 620-583-4305 mattperrier@dalebanks.com



Mother Nature blessed this year's bulls with great grass all summer. It's amazing to see the Flint Hills this green in September!

Dalebanks Angus

The Perriers

1021 River RD, Eureka, KS 67045

FORWARD & ADDRESS SERVICE REQUESTED