



Bottom Line

LIMOUSIN'S COMMERCIAL CONNECTION

Limousin Solve The Debate Of Grade Or Yield

They do both.

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The diversity of Limousin cattle and their place in today's cattle market has never been more apparent than what it is today. It is estimated there are 71 branded beef programs offered in today's retail meat case, in addition to regular commodity beef sold throughout different retail chains. These value-added brands all vary with claims that range from breed specific cattle to programs that offer upper end quality grades to leaner and lower fat content.

Programs are also varied by whether they are based off of regular commodity production or naturally-raised beef. Additionally, some of these programs incorporate different levels of source verification in addition to humane handling practices. Given the strides made by seedstock breeders over the last decade, the ability for Limousin cattle to hit the mark on many of these different programs has never been more evident than it is now.

Wulf Cattle, based out of Morris, Minnesota, capitalizes on the diversity of Limousin cattle every week of the year. In addition to being one of the breed's largest seedstock producers, Wulf Cattle also purchases, feeds and markets cattle through five different feedyards in Nebraska, South Dakota and Minnesota. Wulf Cattle capitalizes on the diversity of Limousin genetics not only in their breeding program, but also in their feeding programs. These cattle are fed into primarily four different groups destined for four different end programs which include, Natural program cattle, Laura's Lean Beef, NHTC (Non-Hormone Treated Cattle) and regular commodity fed cattle.

Wulf Cattle likes to buy feeder cattle sired by Limousin and Lim-Flex bulls for two primary reasons. Number one, Limousin cattle have the genetics to excel in the feedyard. This in turn, lowers their cost of production because the cattle are able to convert feed to gain more

efficiently. Number two, they feel the Limousin- and Lim-Flex- sired calves they sell as fed cattle to their customers such as Tyson, have more desirable carcasses and they receive a premium for supplying them with quality fed cattle.

The accompanying table represents a large sample of kill data on cattle harvested through Wulf Cattle's four different programs during 2013. The diversity of Limousin genetics is apparent when examining the data. As expected, cattle destined for Laura's Lean Beef have a lower percent Choice with higher percentage Limousin cattle that are fed lower energy rations with fewer days on feed.

Their Limousin-based feeder cattle which go into commodity-based trade and higher grading natural programs reflect the ability of Limousin genetics to give a desirable result for Choice grading cattle while not sacrificing value in terms of yield grade and muscling. As evidenced by the table, cattle destined for natural Choice programs and NHTC consistently graded 80 percent Choice while still maintaining sufficient yield grade results.

In other words, the cattle can do both while maintaining feed efficiency and harvest quality while peaking on their dry matter conversions for optimal closeout results as it applies to cost of gains, all through genetics.

Wulf Cattle has been breeding and feeding superior genetics for many years. They also share their performance and carcass data with customers that sell feeder cattle into their programs so producers can actually see how their cattle perform. Ranchers are then able to make bull purchases based on actual results and real world data to make genetic improvement. Much like the Wulf Cattle over the past decade, most Limousin seedstock breeders have not lost sight of Limousin's ability to enhance yield grades while making marked improvements in quality grade. The advantages are also apparent when feed efficiency is evaluated and Limousin cattle's positive impact on dry matter feed conversions.

Limousin breeders should be in a position to help commercial producers restock and rebuild their herds over the next three years. With commercial producers looking to expand, Limousin cattle are in a unique position to offer genetics that will capitalize on increased feed efficiency along with improved yield grade and cutability. With the increase in the cost of production that has occurred in the cow business, the advantages of utilizing Limousin genetics in the commercial cattle business has never been more important in terms of maintaining profitability.

Although current cattle prices are at record highs, their effect on retail prices and consumer demand needs to be watched closely. Middle meats have always been one of the easiest products to market at the retail level, yet high prices for fed cattle have made middle meats a luxury item for a large percent of consumers. As a result, hamburger purchases have accelerated for much of the consuming public for reasons of both price and convenience.

Limousin cattle have distinct advantages as consumers look to utilize ground beef products, because of both price and convenience. The benefit of using Limousin cattle in a crossbreeding program is a higher cutability carcass in terms of both dressing percentage and lean yield. In today's retail marketplace, it is estimated that nearly 62 percent of beef consumption is in some form of ground beef, while only 20 percent is rib and loin products. The remaining percentage is in some form of brisket, flank and short ribs or non-middle meat muscle cuts.

Given the liquidation of cows and bulls in the market the last three years, there will be a shortage of lean beef over the next two years as producers look to expand and cow slaughter is curtailed. Given the higher value of lean trim at the retail level, 90 percent lean versus 85 percent and lower, Limousin-influenced cattle can capitalize on this growing trend to satisfy retail and consumer demand. The market will also see a trend toward

grinding additional muscle cuts of fed cattle to satisfy the demand for ground products as beef prices remain high over the next few years.

The U.S. consumer clearly wants convenient ground beef as an option to competitively priced proteins such as poultry. With the current U.S. cattle industry managing all fed beef as if it was marketing only premium middle cuts to upper chain restaurants, it might be advantageous to not lose sight of reality and the demand for our lean ground product as food prices will remain relatively high.

Limousin cattle are in a position to not only take advantage of this through high-yielding genetics, but are also able to supply the other end of this spectrum by producing a high-quality product that fits in the higher-priced middle meat category, given the improvements breeders have made with marbling EPDs over recent years. Limousin cattle can hit the higher quality grade targets while having the added benefits of improved dry matter conversion while maintaining the upper end of the yield grade spectrum.

Many ranchers and feeding companies are using Limousin genetics in their programs for these very reasons. With the inclusion of Lim-Flex (Limousin x Angus hybrid) more commercial cattle producers are utilizing Limousin-influenced bulls in their breeding programs, especially on cattle that need improvements in yield grade, feed efficiency and improved dressing percentages while not sacrificing quality grade.

Major advantages occur, especially in natural feeding programs where implants and beta-agonists cannot be used. These programs command high premiums, yet most feeders say they need the influence of Continental breeding in natural programs to maintain performance at both the feedyard and packing house.

If you haven't looked into what Limousin and Lim-Flex genetics can do for your program lately, now is a great time to give these cattle a second look. **BL**

Carcas Data Wulf Cattle Company 2013

Program Type	Sex	#HD	% Prime	% Choice	% Select	% Standard	% Dark Cutter	No Roll	Hot Carcass Weight (lbs.)	% YG 1	% YG 2	% YG 3	% YG 4	% YG 5	Ribeye (Sq. In.)
Commodity	Strs	4,936	2%	60%	34%	0%	0%	2%	916	14%	40%	36%	9%	1%	14.31
Commodity	Hfrs	3,287	3%	64%	29%	0%	1%	4%	830	16%	37%	35%	10%	1%	13.90
Laura's Lean	Strs	600	0%	13%	49%	38%	0%	0%	790	21%	63%	16%	0%	0%	13.63
Laura's Lean	Hfrs	970	0%	17%	44%	39%	0%	0%	783	20%	68%	12%	0%	0%	13.35
Natural Choice	Strs	6,952	6%	81%	13%	0%	0%	1%	875	4%	28%	48%	17%	2%	
Natural Choice	Hfrs	4,832	6%	80%	13%	0%	0%	1%	862	9%	40%	40%	10%	1%	
NHTC	Strs	5,721	8%	75%	16%	0%	0%	0%	864	7%	31%	46%	15%	1%	
NHTC	Hfrs	5,657	8%	80%	11%	0%	0%	1%	838	6%	34%	44%	15%	2%	