

FLYING H GENETICS CATTLEMAN'S CHRONICLE

Fall Newsletter

2012

Vol. 10

Reasons for Optimism



I think we can safely say that our weather over the past few years has been as extreme as any stretch in quite some time. A few winters back the mud was so deep we could hardly get out to feed cows and watched helplessly as calves were stomped into the muck. Next winter, it was feet of snow, not inches, that impeded our process. And, lately, we've hardly been able to squeeze out a few drops of rain May through August. With that being said, we have a lot to be optimistic about moving forward. It's hard to find that silver lining after struggling through, but it IS there, and brighter than you might think!

For example, we have seen some record pricing for our commodities, feeder calves, and fat cattle during that stretch. Massive reductions in the national cowherd caused by the inclement weather have kept beef supplies at a very favorable level for those of us in the cow / calf sector. Therefore, supply and demand fundamentals remain extremely advantageous for these high prices to continue for several more years. Furthermore, this last round of drought will likely extend this up-trend in high cattle prices an additional year or two on top of its already lengthy forecast. All signs point to this past spring's extreme prices as being a mere sneak peak at what should become the norm for feeder calves, fat cattle, and replacement female prices over the next several years. A cooperative and

pleasant Mother Nature will set the whole thing in motion.

Now that we have established there are reasons to be optimistic, it's time to reveal, kick the tires, and knock the dust off a few more. Once again, we have drawn from the overabundance of experience that exists in beef industry professionals like you and compiled those thoughts into an easy to read style. The following tips, insight, and words of general positive enlightenment come from decades of combined experience in the fields of cow / calf production, veterinary medicine, cattle feeding, and beef industry marketing. Each passage contains a unique outlook towards these difficult times and the proverbial cornucopia of cattle pricing that lies just beyond the horizon.

1.

"When a world grows to the point that the majority of its population worries about how to afford food, owning protein is a valuable proposition."

2.

"The world's economy is a wreck and not getting better, the domestic economy is following suit. Tangibles like cattle that feed the world become more desirable than gold."

3.

"Over the last 2 years, cattlemen have fought through the challenges of drought, the effects of which caused deep culling into what was already the nation's smallest cowherd. This reduction in supply has placed heavy pressure on the value of cattle, helping to deliver record high prices and solidifying that trend for years to come as additional heifers will be withheld from the feeder supply as cattlemen begin retaining replacements. The value of cattle will hit new highs in the coming years."

4.

"The demand for American beef continues to strengthen as greater volumes are finding their way into foreign markets as our export restrictions continue to weaken. Japanese officials are discussing plans to reduce the age restriction on American beef from the current 20 months to 30, paving the way for greater volumes eligible for Pacific Rim destinations. There's a lot of talk with in the industry that this change in age requirements will end Age & Source Verification (ASV), however the real value is in ASV is not the age component, but rather the Source verification which provides traceability for premium product lines and allows cattlemen to build strong reputations on the quality & health of their calf crops."

5.

"The increase in the amount of capital needed to purchase & feed cattle has forced feedyards to begin placing heavy pressure on the health and quality of the cattle they are buying. Feeders are aggressively sourcing cattle of known genetics & health, and that trend with strengthen in the coming years. Now is the time for cattlemen to ensure their herd health and genetics can deliver the kind of results feeders are demanding to ensure repeat buyers for years to come. Health and genetics are investments, not costs...they deliver the greatest return on investment in the industry."

6.

"Numbers are tight and prices are going to be good for several years to come. Do not lose sight of your genetics program with high prices. Cost will remain high as well and you need to keep improving. Hopefully you have a baseline of what you are producing and can improve on it year to year. If you do not have carcass and performance information on your existing calf crop – get some! Retain ownership on a portion of your calves, even if it is just heifers that are not kept for replacements. Remember the old adage of you cannot manage what you don't measure."

7.

"Simply put, supply and demand is going to continue to drive high prices for feeder cattle in the years to come. We have not seen the nations cow herd yet begin to rebuild and this will add years to the good markets that we are seeing for several years to come. For those who have been forced to scale back herd size because of drought, they were able to do it on a good market with prices at close to all-time highs. I feel that bred females are still the best buy at this time when compared to other segments of the cattle market."

8.

"The dry weather and tight feed resources have finally forced us to get rid of those older, less productive cows that we've needed to for several years. Now we have the chance to expand with a newer generation of genetics that should be better for production and overall value."

9.

"Technology has given us the tools to become more efficient and productive than we were three decades ago during the last severe drought. The use of some simple, cheap tools like step-in posts and polywire can make feed resources go a long way and save thousands in feed costs. These rains in late August and early September will produce some extra fall grazing and allow you the opportunity to do just that."

10.

"Genetic suppliers of today offer more services and marketing support than ever. Lean on your bull supplier to help get more for your calves and replacement heifers by adding value through source & age programs. Many suppliers can help provide you with tags for use in such programs. Use the resources they provide – that's what they're there for."

COME VISIT THE HAUNTED



Corn Maze!



SEE WEBSITE
FOR DETAILS



Don't miss it!!!!

FLYING H IS SPONSORING THE LOCAL CORN MAZE THIS YEAR. CONTACT ANYONE FROM THE MISSOURI FLYING H LOCATION ABOUT COUPONS FOR SAVINGS ON ADMISSION FOR YOUR FAMILY.

AT THE "HAUNTED MAZE" - THE REAL FUN STARTS WHEN THE SUN GOES DOWN!

FALL PRE

100 F
60



Sire: Olie • Simmental • BD: 3/09/11

CE	WW	YW	MK	MB	RE	API
12.8	59.7	90.9	23.7	0.30	0.83	122.0



Sire: Woodhill Fusion • SimAngus™ • BD: 9/22/11

CE	WW	YW	MK	MB	RE	API
8.5	76.9	124.9	25.3	0.59	0.47	129



Sire: Dew It Right • Simmental • BD: 9/01/11

CE	WW	YW	MK	MB	RE	API
7.6	73.4	100.3	15.4	0.04	0.59	98.0



Sire: Woodhill Fusion • SimAngus™ • BD: 8/20/11

CE	WW	YW	MK	MB	RE	API
8.6	67.6	101.6	24.1	0.64	0.21	133



Sire: Premium Beef • SimAngus™ • BD: 9/05/11

CE	WW	YW	MK	MB	RE	API
15.7	56.1	99.2	30.4	0.58	0.80	150



Sire: Sandman • Balancer® • BD: 2/16/11

CE	WW	YW	MK	MB	RE	CV
109	50	95	17	0.33	0.26	65.35



Sire: Foxtrot • Balancer® • BD: 7/21/11

CE	WW	YW	MK	MB	RE	CV
NA	61	104	16	NA	NA	0.00



Sire: Bismarck • SimAngus™ • BD: 2/15/11

CE	WW	YW	MK	MB	RE	API
16.3	61.2	95.8	28.2	0.25	0.90	140.3



Sire: Sandman • Balancer® • BD: 2/22/11

CE	WW	YW	MK	MB	RE	CV
107	42	86	16	0.12	0.39	46.84

To Request a hard copy of Sale Book and/or Videos call, email, or TEXT

VIEW

Roughage 'N Ready Bulls

0 18 month-old bulls

40 Yearling bulls

See Website for Sale Book, Videos & Ultrasound Data

Several Show-Me Select Qualified Bulls

HOME
OF



Sire: Brilliance • SimAngus™ • BD: 3/12/11

CE	WW	YW	MK	MB	RE	API
12.6	56.9	89.4	27.7	0.31	0.49	119



New Heat
Tolerant
SimAngus™

Sire: Lucky Man • SimAngus™ • BD: 9/16/11

CE	WW	YW	MK	MB	RE	API
9.1	61.6	92.5	27.5	0.05	0.47	100.0



Sire: LACY FHG Legacy • Balancer® • BD: 9/01/11

CE	WW	YW	MK	MB	RE	CV
108	46	85	12	0.11	0.28	40.30



Sire: Middle Creek Star • Balancer® • BD: 9/07/11

CE	WW	YW	MK	MB	RE	CV
104	43	86	22	0.21	0.42	52.46



Sire: HRM Combination • SimAngus™ • BD: 3/25/11

CE	WW	YW	MK	MB	RE	API
10.8	43.8	76.1	25.6	0.19	0.71	115



Sire: Dual Focus • SimAngus™ • BD: 3/01/11

CE	WW	YW	MK	MB	RE	API
12.4	63.1	101.6	25.3	0.38	0.53	130



New Sale Location!

AT THE FARM

15 MILES SOUTH OF CLINTON TAKE
"A" HWY WEST TO THE 3RD GRAVEL
ROAD NORTH & FOLLOW SIGNS



FLYING H GENETICS'

Fall Field Day/Youth Livestock Judging Workshop

Awesome weather made it enjoyable for a large group of cattlemen & women to view bulls, explore our new sale location, and discuss important topics like Trich.



Nick Flannigan with Joplin Stockyards visiting about feeder cattle.





FFA & 4-H students from several states take part in Livestock Judging Workshop



Chuck Miller & Marty Ropp explain in detail the reasons and placing for this set of 18 month-old bulls.

Kyle Bauer, Fairbury, NE claimed honors as top Livestock "Evaluator of the Day" & took home a \$500 Scholarship!



FLYING H GENETICS

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Flying H Genetics
Fall 2012
Newsletter

FALL BULL SALE



At the Farm,
 Lowry City, MO
 (See website for map
 and directions to new
 location)

★ **New sale location** ★

Saturday, October 27 • 1:00 p.m.



Sire: Flying H Sculptor • Gelbvieh

CE	WW	YW	MK	MB	RE	CV
105	52	89	9	0.03	0.27	32.18



Sire: Lookout • SimAngus™

CE	WW	YW	MK	MB	RE	API
7.6	61.5	90.7	23.8	0.24	0.81	96.3



Sire: Ever Ready • Simmental

CE	WW	YW	MK	MB	RE	API
8.8	67.6	88.7	18.3	0.11	0.68	122.4