

Lawsons Angus breeding strategy coincides with MLA Chairman's views.

Now, more than ever there is a need to be feeding the right genetics. There are huge differences in animals abilities to use feed for maintenance and weight gain, just as there is in an animals ability to lay down intramuscular fat rather than subcutaneous fat. Lawsons Angus have been developing a line of Angus cattle for 40 years that can do both. According to Harry Lawson "you can have it all".

After recently returning from the United States MLA 's Chairman, Don Heatley asserted that it will be more important than ever to have cattle that can gain and grade with less days on feed.

"I have just returned from the United States where the high prices for grain have seen a dramatic shift in the structure of their cattle industry. While placements in feedlots are at record highs, grain prices are seeing cattle go in at higher weights and being fed for fewer days. This is likely to occur in Australia this year as the shortage of grain due to drought, and the global impact of demand from the energy sector to produce ethanol, continue to put pressure on feedlot margins." Don Heatley, MLA Chairman

Feed costs are not only a concern for feedlots, farmers have seen a massive change in cost structure through increased land prices, fertiliser and fodder costs.

Lawsons Angus have been developing a breeding herd of Angus genetics for four decades that would be the most efficient converters of grass to high quality beef in Australia. "We have been determined to maintain the fertility and moderate maturity pattern of our cow herd, since 70% of the feed used on a beef farm goes into cow maintenance. However, we also saw the need to be accountable to the end users. We witnessed the US Meat Export Federation (MEF) strategy of pursuing our export markets and it become very apparent that we were going to have to be competitive on a global platform." Harry Lawson commented.

In 1994 Lawsons Angus formalised a genetics and business plan to develop their existing 300 cow herd into a large scale Angus seedstock herd that would that would provide commercial beef herds with access to the best genetics in the world at affordable prices.

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"Having spent years researching beef genetics in Australia, New Zealand, Europe, United States and South America we had a pretty good understanding of where we thought the potential was in terms of enabling our clients compete with the best in the world" reported Harry. We knew how to improve our on-farm efficiencies, but we realised the need to also focus on quality beef for our clients to compete at the top end of the Japanese market where we are head to head with the US. Our research in the US confirmed marbling is a critical factor in meat quality, the next challenge was then how do we include this in our breeding objectives without compromising everything else that is good about the Angus cow?"

The three key business strategies that enabled Lawson Angus to accelerate numbers, quality and consistency were:

- Moving to a 100% artificial insemination (AI) and embryo transfer using the best proven bulls in the breed
- Forming a partnership with Gardiner Angus Ranch, the most progressive Angus seedstock herd in the world
- Establishing a large scale progeny testing program (Australian Angus Alliance) to identify superior sires for all facets of beef production and validate emerging technologies (ultrasound, NFI and gene markers)
- Expanding our production base through leasing land

"On a genetic and production efficiency level we could see the US system of slaughtering cattle at a much younger age (15 months) and feeding for 120 days on feed was far more efficient in terms than the long fed systems adopted in Australian feedlots targeting Japanese customers. We are not criticising feedlots, they are producing what the customer wants and is willing to pay for, with feedlots and processors investing heavily in their respective brands that are built around customer specifications and quality standards. However, we could see from a genetic, biological end-point and economic perspective that the potential is to produce a consistent high marbling product like Certified Angus Beef (CAB) that sits in the upper two thirds Choice grade under the USDA grading system with a high degree of consistency if you use the right genetics. Some Angus sires progeny hit these specifications with a 90% compliance rate ,compared with the 17% average for all CAB qualified cattle (basic phenotypic specifications are black hided and no hump).

As US European breeds have tried to re-invent themselves with black hides, they have not improved the ability to

grade (marble) with 120 days on feed. Furthermore, the temptation to use Euro cross cattle in Australia boost weaning weights should be weighed up in light of the reduction in marbling and meat quality, but equally important, the use of Euro cross cattle will result in a significant blow out in cow-calf feed costs, unless they are used as a terminal cross. The right modern Angus genetics will get you there just as fast with the higher meat quality, equivalent yield and the ability to retain an efficient cow herd. Given the fact 70% of energy (feed) is used to maintain cows, topping the annual weaner sale may not provide the most economic return per hectare.

Reducing days on feed by 100 days is worth over \$300 per head. The AAA progeny test data has demonstrated a \$500 average progeny value difference on top of this ~ i.e some sires are capable of hitting targets with far less days on feed, with a higher level of predictability with less subcutaneous fat. Our research and data shows we can still go up a few gears without compromising cow efficiency.” Harry Lawson commented.

“Lawsons Angus bulls had to be designed so they had the growth and carcass potential to suit the long term feeding regimes, but we wanted to further increase the marbling potential so they could still hit the same marbling targets more consistently at a younger age with less days on feed.” Harry said.

For the past fourteen years, Lawsons Angus have not diverged from this goal and the results speak for themselves. This years 275 Sale bulls average in the top 10% of the breed for Jap B3 Index, with nearly 50 bulls ranking in the top 1% of the breed. What is more

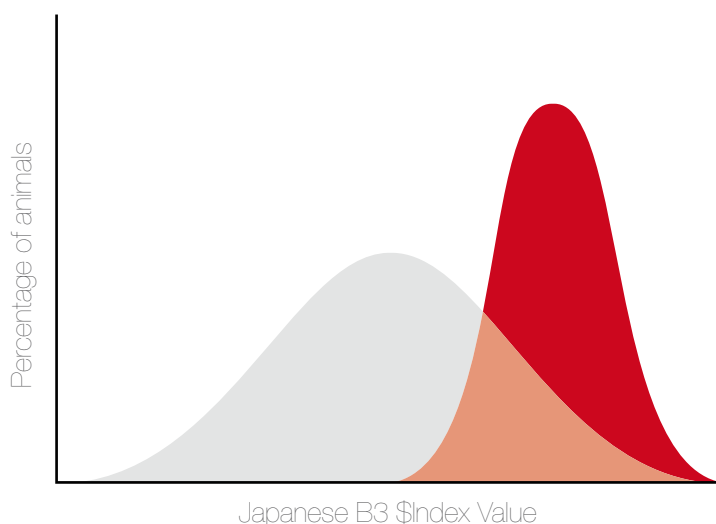
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impressive is the comparison of all economic traits, and the way these animals are packages, they have less birth than breed average, rank in the top 15% of the breed for growth, are close to double the breed average IMF and EMA on EBVs and are still very moderate. The unique combination of calving ease, high growth and high end product composition stacks up with what the best herds in the US have achieved. While a lot of Australian seedstock herds argued about whether you could have a easy calving and high growth in the one package Lawsons Angus achieved this but added a strong carcass dimension.

It will take the breed over ten years to get to where Lawsons Angus is now if they start today. That puts their commercial clients in a very strong position to respond to the structural changes that are occurring in beef production systems world wide. The Chairman of MLA has just returned from his trip to the US and confirms there are significant changes ahead as feedlots try to recover margins.

Some breeders are trying to push positive fat and lower quality carcass genetics as more suited for grass finishing. Research has shown if you have cows capable of utilising feed efficiently, they are moderate framed and mature weight you don't need to have them *genetically fat* to get through tough times. Feedlots and processors are already faced with additional costs without further losses through trimming excessive fat on the rail and lower daily gains, as fat is far more energy expensive than muscle to put on. “Superior performing Angus will perform on grass, in the feedlot and across all environments where Angus cattle

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■ All 2006 born Angus Breedplan Calves
■ Lawsons Angus 2008 Sale Bulls

suit. We are convinced the road ahead for the production of high quality beef whether it be grass or feedlot finished cattle requires a disciplined, objective approach to genetics.” Harry commented.

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