



The Whiteface

HEREFORDS: The Efficiency Experts

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ID in the cattle industry: How Hereford Verified fits

All cattle producers have experienced the animal identification (ID) buzz. The reasons to ID are plentiful, the concerns about ID are just as plentiful and the dialogue surrounding the issue is beyond plentiful. As the nation seeks to find a way to develop a national plan for biosecurity purposes, breed associations and other cattle organizations are seeking ways to develop programs that also provide value to the producer.

In addition to the data and bonuses that these programs provide, industry experts point out the advantages of traceability. "Consumers want to know more," says Dale Blasi, beef Extension specialist at Kansas State University. "There are niches for those producers who incorporate ID."

Blasi encourages producers to talk to their customer base to see if these niche opportunities exist for them. "Review what you've done in the past," he says. "Keep both of your eyes open and be aware of opportunities to improve."

Allen Bright, National Cattlemen's Beef Association (NCBA) animal ID coordinator, says the greatest demand for ID that he deals with is in the international arena. For producers considering export, it's almost a must. Bright also says that large retailers like McDonald's and Wal-Mart, as well as consumer activist groups, are voicing their wants for nationwide ID.

In the meantime, he says that smaller producer-oriented ID efforts are an asset to the industry. "For animal ID to be successful, producers need to be able to get some return." Even if there were no discussions regarding national ID, Bright says that these programs still would be "a big plus for producers."

With Hereford Verified, the American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC have created what they hope is a "big plus" for producers and the Hereford breed, a traceable program for Hereford-influenced calves that provides producer bonuses and data on cattle that meet CHB® requirements, without the risk of retained ownership. The program brings together all facets of the beef supply chain to create an open market, reliable supply of CHB eligible cattle. Read on to discover the process and progress of the program.



PHOTO BY TERESA O'E

The characteristic whiteface of these Hereford-influenced calves serves as a symbol of the breed's contributions – efficiency foremost – to the commercial industry.

Why the Whiteface?

The American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC would like to introduce *The Whiteface*, a publication for commercial cattle producers who utilize Hereford genetics. We know, as do you, that Hereford cattle are extremely functional and marketable in commercial programs. The Hereford animal provides efficiency, fertility, longevity, an unbeatable disposition and a beautiful, sellable cross.

Consequently, we've developed a quarterly publication dedicated to the commercial producer who has incorporated this animal into his or her breeding program. You will receive *The Whiteface* twice a year as an insert in tabloid *Hereford World* issues and twice as direct mail pieces. On the pages will be information regarding research, production, management and marketing relevant to commercial programs, and particularly to those that are Hereford influenced.

The theme of this, the first issue, is Hereford Verified. Launched last August, Hereford Verified is a traceable program for producers with Hereford-influenced calves. We think you'll be impressed by the marketing opportunities, bonuses and data that have been made available to participants. For those not familiar with the program, we've provided basic logistic information. For those who are already familiar with or even participating in the program, we hope that you'll find value in the progress updates and industry comments that follow.

The Hereford breed is important to the commercial industry and you're important to the Hereford breed. Welcome to *The Whiteface*!

–Craig Huffhines, AHA executive vice president

The Hereford animal provides efficiency, fertility, longevity, an unbeatable disposition and a beautiful, sellable cross.

Step 1: Painless

When contemplating new management or marketing practices on the ranch, it seems the first step is always the hardest to take. With Hereford Verified, that first step has been designed to be painless. With no commitment to the program and no obligation to buy tags, producers can enroll their Hereford-influenced calves free of charge. Doing so provides advertising through HerfNet, a marketing tool developed by the American Hereford Association (AHA).

The producer submits select information (see "Sign me up") about his or her calves. AHA then compiles the information, faxes a weekly listing of available cattle to VIP feedyards and order buyers, and then transfers the seller information to the online list of available feeder cattle, if the producer so desires.

What many producers don't know is that they can wait to purchase tags until a buyer expresses interest in their calves. Moreover, producers need not purchase the tags through Hereford Verified, unless they wish to genetically verify the calves for increased bonuses.

In some cases, calves already have radio frequency identification (RFID) tags; this is perfectly fine. The producer may prefer going through another tag supplier; this is also perfectly fine. At as low as \$1.85 per tag, Hereford Verified may be the way to go, but the producer has the freedom to make that decision.

While the enrollment process doesn't require the purchase of tags, the value of tags to producers is great. If you don't tag your cattle somehow,

you are losing out on the opportunity to receive feedlot/carcass data, the No. 1 benefit of the program.

Jim Williams, Certified Hereford Beef (CHB) LLC vice president of supply, notes that the cattle cycle is changing. As prices decrease, the need to add value to stock increases. By enrolling and tagging calves, producers are increasing their opportunities to add this value through improved genetics and marketing.

"Don't close the door to just one program," Williams says. "Explore your options."

Tagged Hereford Verified calves can be sold in unlimited ways if not selected directly by a participating feedlot, including the sales barn or video auction.

If calves end up in a Hereford Verified feedlot and were tagged by the producer, he or she is entitled to the animal data, regardless of the means of sale.

Williams encourages producers to research their marketing options. Does your local sale barn entertain Hereford

buyers? If not, many Hereford-based operations are enjoying success via video sales and Hereford-friendly sale barns outside of their home areas.

Finally, Williams reminds producers that by meeting the 50,000-lb. load lot mark, the chances of selling cattle to a Hereford Verified feedlot are much greater. You work together with your neighbors for other purposes, why not for profit!



Sign me up

To enroll in the Hereford Verified program, you can either call (866) HerfNet (437-3638) or visit www.herefordverified.com. On the left-hand side of the home page, there is a link that reads "New Users Click Here to Setup Your Account." You must then provide your company (ranch) name, name, address, e-mail and a password. Your username and password is then e-mailed to you. Enter these after clicking on the "Member Login" link at the top of the Hereford Verified home page. Then click on "Enroll New Cattle."

Many producers like to know what kind of information they're going to have to provide before getting to this point. Please note the items below as they are a comprehensive list of the information necessary for Hereford Verified enrollment:

Producer information

(already provided in new user sign-up)
AHA member number (if applicable)
Producer/company name
Contact's first and last name
Address
Phone
E-mail

Calf information

Premise ID (if applicable)
Number of head
Anticipated ship date
Estimated whiteface percentage
Estimated average weight
Beginning calving date
Ending calving date

Verification level (source and age or genetic, source and age)
Source identification method (premise ID or address)
Starting date for advertising on HerfNet (can choose not to advertise)
Tags (purchase or no purchase; if purchase, tag choices provided after "Submit")

\$8,088 Distributed to Hereford Verified Participants

by **Rob Ames**, CHB LLC executive vice president

Twenty-two producers from 10 states were the first to receive Hereford Verified qualification bonuses without the risk of retained ownership. The program has harvested 4,044 cattle and distributed \$8,088 since its launch last August. Producers who successfully enroll and market cattle to or through a Hereford Verified feedlot receive a first-year bonus of \$2 per head on Certified Hereford Beef® (CHB®) eligible cattle.

Better than money, Hereford Verified producers receive unprecedented access to the feedlot and carcass performance data of their cattle. Radio frequency identification (RFID) technology, or electronic identification (EID), makes it economical to track and sort data such that the Web-based Hereford Verified system can automatically deliver useful information to producers.

In years to come, the Hereford breed will benefit greatly from the data we're able to capture through this system. We will efficiently be gathering the information that makes the case for our cattle in the feedlot and on the rail. More importantly, producers will know the downstream value of their genetics and management such that they can make more informed decisions.

Next year, producers will be eligible for a \$3 per head bonus in appreciation of their commitment to the Hereford Verified marketing channel. It is free to enroll cattle in Hereford Verified. Producers must validate the source and age of their calves (and for additional bonuses, their genetic background) to be eligible for program bonuses and data.

Incentives Grow with Genetic Verification

Ask Your Seedstock Providers to Transfer Registration Papers



PHOTO BY MELISSA LEANDER

Would you rather receive a \$2 per head bonus for your calves or a \$3 per head bonus? How about \$3 vs. \$6? The difference between these figures in the Hereford Verified program is the transfer of ownership of bull registration papers from the seedstock provider to the cow-calf producer. Without the official American Hereford Association (AHA) transfer, the genetic, source and age (yellow tag) option in the Hereford Verified program is not a possibility. This option commands a \$2 bonus the first year for cattle that

are Certified Hereford Beef® (CHB®) eligible, successfully marketed through the program and harvested by National Beef. The producer then receives \$3 the second year of participation, \$4 the third year and \$6 the fourth.

In comparison, the source and age option (green tag) provides a \$2 bonus the first and second years of participation, and \$3 the third and fourth.

To obtain the higher bonuses, all you have to do is verify which Hereford bull(s) you've used. If your seedstock providers

are not transferring the registration papers to you at the time of purchase, please ask them to do so. This is important not only to the thoroughness of the Hereford Verified program and the breed, but also to your profits as a producer. Look at "Master year 4+" in the two tables (see "Comparing the benefits") below. On the fourth year of participation and beyond, you can bring in \$3 per head or \$6 per head. The choice is easy; all you have to do is ask for the transfer. Bets are that your Hereford seedstock providers won't turn you down.

Comparing the benefits

Cow-calf producers who provide the needed source and age (premise ID and calving season) of their calves will receive the following benefits:

- Direct access to Hereford Verified partnered feeders
- Qualification bonus – \$2-3 per head
- Carcass performance data with benchmarking
- Feedlot performance data with benchmarking
- Discounts on individual carcass data

Cow-calf producers who provide the needed source and age (premise ID and calving season) of their calves, as well as the registered bull battery, will receive the following benefits:

- Direct access to Hereford Verified partnered feeders
- Qualification bonus – \$2-6 per head
- Carcass performance data with benchmarking
- Feedlot performance data with benchmarking
- Discounts on individual carcass data

Green Tags (SA)	Pioneer year 1	Veteran year 2	Professional year 3	Master year 4+
Qualification bonus	\$2/head	\$2/head	\$3/head	\$3/head
Carcass performance	yes	yes	yes	yes
Feedlot performance	yes	yes	yes	yes
Carcass benchmarking	no	yes	yes	yes
Feedlot benchmarking	no	yes	yes	yes

Yellow Tags (GSA)	Pioneer year 1	Veteran year 2	Professional year 3	Master year 4+
Qualification bonus	\$2/head	\$3/head	\$4/head	\$6/head
Carcass performance	yes	yes	yes	yes
Feedlot performance	yes	yes	yes	yes
Carcass benchmarking	no	yes	yes	yes
Feedlot benchmarking	no	yes	yes	yes

To receive the highest qualification bonus you must link your Hereford Verified enrollment to a registered Hereford bull battery. In most cases commercial producers may establish an American Hereford Association (AHA) membership and registered bull battery for free by having the registered bulls they purchase transferred to their name. Seedstock producers typically pay the \$5 transfer cost. Contact the AHA for more details at (816) 842-3757.

Hereford Verified FAQs

Q. What are the requirements for Certified Hereford Beef® (CHB) cattle?

A. Hereford and Hereford-baldie (100% English, 50% Hereford) cattle are deemed eligible for CHB at the point of harvest by U.S. Department of Agriculture (USDA) supervised inspectors who look for telltale breed characteristics. At that point, “A” maturity carcasses that fit the 600-1,000 lb. weight parameters, are Yield Grade 4 or better, and Quality Grade Choice or Select are eligible as long as they do not have any major defects — dark cutting, blood hemorrhaged ribeyes, etc.

Q. What is a premise identification number (premise ID)?

A. A premise ID is a seven-character combination of numbers and letters that uniquely identifies a location where cattle may be born, raised, fed or handled. Ranches, auction markets and feedlots can all have premise IDs, and by tracking animals from one premise to the next, Hereford Verified can more easily manage production data that describes those animals. While ranches in two different states might, by coincidence, have the same street address, name or town, they won't have the same premise ID. Simply put, premise ID is a clear way to identify a premise.

Q. Do I have to have a premise ID to participate in Hereford Verified?

A. While it's a good habit to use premise ID to identify a given ranch location, it's not a program requirement. To obtain a premise ID, producers should contact their state department of agriculture.

Q. Who buys my enrolled calves?

A. Feedlots in Nebraska and Kansas have been designated to feed cattle for the Hereford Verified program. Producers who enroll in Hereford Verified have direct access to these feeders to solicit buyers for their program eligible cattle.

Q. Is there a guarantee that a participating feedlot will buy my cattle?

A. There are no guarantees. However, each participating feedlot has committed to a monthly quota of program cattle and actively searches Hereford Verified enrollments to find them. Your chances of getting a competitive bid on your calves depend heavily on your ability to assemble 50,000 lb. of same-sex cattle of uniform weight with at least 50% meeting CHB live-animal specifications. Less than load (less than 50,000 lb.) lots are commonly overlooked because of the added transportation costs per head.

Q. Can I sell my calves at auction?

A. Producers may sell their calves to a Hereford Verified feedlot through any means they choose. However, because data sharing is dependent upon the cooperation of a specific list of feeders, it's imperative that producers get one or more of those feeders to participate in the direct-contracting or open-bidding format of their choice.

Hereford Verified Statistics (as of June 2006)

Producer accounts	151 accounts
Cattle enrolled	16,840 head
Cattle harvested	4,044 head
Bonuses awarded	\$8,088

For more information about Hereford Verified, visit www.herefordverified.com or contact Jim Williams, CHB LLC vice president of supply, at **(308) 222-0170.**



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