Canadian Luing Cattle Association Newsletter

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MESSAGE FROM THE SECRETARY

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Welcome to our 2014 summer newsletter. With cattle prices seemingly reaching higher levels every week it's an exciting time to be a cattle owner and just reward for those who hung on through the tough years. In this edition I've written a couple of articles concentrating on the beef side of the cattle business rather than the maternal/genetic side. If you ever want to talk Luing cattle don't hesitate to contact myself or any of the directors listed on the back page.

Luing - Ideal For Grass-Fed Beef Production

As we are getting an increasing number of enquiries about Luings from people interested in direct marketing grass-fed beef, I thought I'd share my opinions and experiences on the production side of this enterprise.

Over the last twelve years we have built up a retail customer base who are adamant our Luing beef is the best beef they have ever tasted. While it's hard for me to comment objectively on such claims, the demand and customer loyalty we have experienced has certainly been encouraging and has made it easy to sell 50 head a year and always have a waiting list of potential customers. This has grown into a profitable sideline utilizing steers and surplus heifers, which we harvest at 17-18 months old during the month of October to yield an average carcass weight of 600lbs.

Despite being a cattle breeder whose primary interest is genetics, I firmly believe that the most important component of successful grass-fed beef production is the forage management. Luckily our area of Alberta has an almost ideal climate for grass fattening, generally receiving enough precipitation to keep the grass growing and remaining cool enough to slow plant maturity and reduce lignification. This allows us to manipulate the growth curve through careful management to provide lush green stands from May right through until the end of October. We aim for as wide a diversity of plant species as possible but the most important ones are clovers, vetches, meadow brome, orchard grass and quack grass. We favor legume rich pastures from May until August as these provide the necessary protein to grow the cattle but during September and October we use predominantly meadow brome regrowth to get the final "finish" on the cattle.

One of our biggest advantages in this area is the weather we usually get in September. When we start to get the light frosts at night it concentrates the sugars above ground in plants like meadow brome and orchard grass and this provides the high energy levels needed to

properly finish animals on grass. For this reason we don't start harvesting our finished cattle until October and they are all gone by early November.

To produce top quality grass-fed beef economically you need cattle with good growth potential and then you need to manage that growth appropriately. Some people think that we need to return to the small-framed cattle of the 1950s to produce grass-fed beef but I disagree with that notion. We have occasionally harvested a small heifer that ran out of growth at 900lbs and was already overfat. Invariably they are the worst paying cattle we process as the headage based slaughter costs and the amount of fat that is left on the processors cutting floor eat up all the profit.

Fat Luing Heifer

A common problem that producers run into is trying to take their weaned calves through the first winter on hay only in an attempt to avoid the "evils" of feeding grain. Having the calves come through winter without growing enough means they won't be finished before the onset of a second winter so many producers fall into a system of skimping cattle through two winters and relying on compensatory gain on grass during the summer to reach a 28-30 month harvest age. This boom and bust of growth rates between summer and winter toughens the meat and if winter gains are low enough it results in the formation of gristle. I don't believe the use of compensatory gain has any place in a quality grass-fed beef production system.

Now I understand most of the customers seeking grass-fed beef don't want to buy grain fattened cattle but they certainly don't want to buy beef of poor eating quality either. Given that it's difficult to regularly grow or buy hay with a high enough energy level to sustain freshly weaned calves when it's -40C we supplement with 3lbs/day of wheatshort pellets. We typically do this for around 100 days by which time the calves can better fill their energy requirements from conserved forage and the coldest part of winter has passed. One of the benefits of direct marketing is the communication it allows between food producer and the eater. When we explain our use of the pellets in the diet to boost the energy level, 99% of potential customers are happy with the practice as long as it leads to better beef.

The growth targets we aim for are as follows: Calf born April 20th should be 550lbs by weaning around November 20th. Aiming for a minimum winter gain of 1.4lbs a day results in a yearling going to grass on May 20th at 800lbs. Our average gain on grass of 2.2lbs/day results in a finished weight of around 1100lbs by October. As these are still fairly ambitious targets to reach on a mainly forage ration, we only retain fatteners from the bigger half of our calves at weaning time. Most of the heifer's calves and anything born after the 10th of May automatically get excluded along with any other slower growing calves.

In addition to growth potential it is also very important to have natural fleshing/fattening ability on forage ration and this is where the Luing excels. From the outset the Luing steer in Scotland was considered merely an acceptable byproduct of maternal breed selection and the early Luing breeders in Canada maintained that criteria. Most other breeds in North America have focused on continually increasing growth and meat yield and this has largely been achieved by measuring rate of weight gain and ultrasound scanning young bulls for carcass data on ad-lib, high energy rations (feedlot bull tests). This is a legitimate way to select these cattle for efficiency of production under the high grain feedlot system but unfortunately it also unwittingly selected against the type that did best in a grazing situation.

By simply selecting for cows that can thrive in a forage only system Luing breeders have perpetuated the characteristics needed in their steer byproduct if it is to be finished on grass - namely natural fleshing and good foraging ability. Cattle that are naturally fleshing produce beef that is naturally tender in my experience.

The final part of the puzzle needed to produce good grass-fed beef is marbling ability and that definitely has a strong genetic component. In the make up of the Luing breed we have the old Scottish Shorthorn, which was well known for marbling, but what may surprise many is that the Luing's other ancestor, the Scottish Highland cattle, are a highly marbled breed - higher than either the Angus or the Shorthorn. The Highland heritage also contributes a finer grained beef and combined with the marbling this produces a high quality eating experience.

In conclusion I don't think you will find a breed of cattle better suited to grass fattening in much of western Canada than the Luing. The real key to doing it successfully is attention to detail in every aspect of the production process and making sure the various parts fit together holistically.

An Alternative Beef Production System

Continuing on the theme of beef, I'd like to summarize and comment on a presentation made by Bill Helming at the 2013 Grassfed Exchange Conference in Bismark, North Dakota. His presentation interested me because what it advocates is quite different from the way the North American cattle industry operates today and is not something we have heard through mainstream beef media channels.

The first half of his presentation comprised a detailed analysis of the economic situation that the United States has found itself in since the stock market collapse of 2008. Compared to past recessions this one has been extremely serious and there continues to be very poor growth of Gross Domestic Product (GDP), something that in his opinion will likely persist for another 12 years. This has resulted in flat to declining real wage and income levels for US workers and households, which reduces their disposable income. When financially squeezed consumers are apt to reduce purchases of higher priced food items like beef. In addition the aging demographic of the US population has further reduced the percentage of families that are big beef eaters.

Finishing Pasture

According to Helming's figures US beef consumption declined 39% between 1976 and 2012 while in the same time period chicken consumption increased 119%. Put another way beef has lost 44% of its market share to chicken in the last 36 years! A lot of this is down to price on the store shelf which is somewhat related to production cost. He quoted the cost of gain for a feedlot steer in the Northern Plains at $1.25/lb. while a broiler chicken's cost of gain was 53c/lb.

The outlook for beef is not all negative though as consumer demand for ground beef has increased 33% over the last 43 years. Helming predicts that this trend will continue and that 30 years from now 65-70% of beef consumed in the US will be in the form of ground beef. It is clear that consumers have changed their eating habits over the years and that the cattle industry is largely ignoring these changes. The North American beef system we are currently locked into is producing something that customers are eating less of - expensive whole muscle cuts in

the form of steaks and roasts. The danger in continuing to ignore these market trends is that beef will become like lamb - an overpriced luxury protein that is consumed in ever decreasing quantities. The current industrial model was built on low priced corn and low priced energy and going forward neither of these things seem likely. The fact that today 40% of total US full feed cattle marketings (cornfed, young feedlot cattle) go to ground beef is a huge inefficiency.

In the second half of his presentation he outlined a solution to making beef more competitive with chicken and more in tune with consumer demand. The solution is to develop a two tier beef production model with less cattle raised on these high cost, high energy, feedlot rations and more produced on low cost forage systems. I should emphasize here the forage-produced beef he advocates is not to be confused with the product that I wrote about in my other article, which is sold into a niche market at a higher price for the perceived health and environmental benefits. What he is talking about is raising cattle on grass or forage rations at a substantially lower cost than grain feedlot cattle specifically to produce cheaper ground beef. This already happens in other parts of the world, for example New Zealand, where male calves from the dairy herds are raised on grass for ground beef to be exported to Asia.

In addition to grass-fed production he talked about "forage fed" which would cover using silage made out of forages instead of grazing the animals directly. In the areas of Europe conducive to growing high quality grass/legume silage a lot of cattle are already finished in this manner. A benefit of a silage based system is that it would allow for year round production in the Canadian climate, something we are not able to do with true grass-fed beef. His suggested economic slaughter weights under these systems would be 900-1100lbs, which is substantially lower than modern feedlot harvest weights.

When spelled out like this what he is advocating makes perfect sense but what is less clear, and what worries me as a cattle producer is whether we would be paid enough for these grass raised cattle to make it viable. I'm all for the consumer increasing consumption of lower priced ground beef versus factory farm produced chicken as I see it as a healthier alternative. However we don't have a climate like New Zealand and there is a limit to how low cost our production systems can be in Canada or the northern US. If such a system were to come about it would need more emphasis on forage production and likely removing acres from corn or barley. While that also makes sense to me from a climatic and environmental perspective it would go against the current trend of breaking up pasture in pursuit of the better returns said to be possible from growing cash crops.

Bill Helming is an economist, agribusiness consultant and author and his extensive presentation, in three parts, is widely available on the Internet if you want to read it in full.

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