

# BARNYARDS & BACKYARDS

UNIVERSITY OF WYOMING



UW Cooperative Extension Service  Profitable & Sustainable Agricultural Systems



## Master Cattleman program bolsters producer decision making, production strategy abilities

An educational program designed specifically for Wyoming cattle producers is being piloted in Uinta County this winter with the goal to offer it in additional locations throughout the state.

The Wyoming Master Cattleman program is designed to provide information on production strategies and, more importantly, help producers make decisions on each of the production practices presented.

The program will start with two sessions focused on decision-making tools. The first session will help producers analyze goals and risk tolerances. The second will focus on enterprise analysis. Producers are provided with information on how and what to analyze to determine if an enterprise will be financially successful.



The program will then focus on production strategy sessions. The current proposal is for six sessions focused on various potential strategies.

The key to the success of the program is that, at the end of each of the production strategy sessions, producers will work through an example using tools from earlier sessions. Each strategy will be analyzed for its potential from a goals/risk perspective and a financial "what if" analysis. The goal is not only to help producers determine if

the production strategies will work but also help producers be better able to make that determination at other meetings and seminars they may attend.

The program is January 18 – March 15 at 2 p.m. Thursdays in Evanston. There is a \$75 cost. Preregistration is required. For more details, call Uinta County Cooperative Extension Service (CES) at (307) 783-0570. Those interested in having a program in their area can contact a local University of Wyoming CES educator.

*Bridger Feuz is a University of Wyoming Cooperative Extension Service educator serving Sweetwater and Uinta counties and can be reached at (307) 783-0570 or brfeuz@uinta-county.com.*

## Extension schedules programs to assist producers

The University of Wyoming Cooperative Extension Service has high-quality seminars planned the next several months, and many of these will have commercial exhibitors for agricultural needs.

### January 18-March 15

#### Wyoming Master Cattleman.

2 p.m. Thursdays in Evanston. For more details, call Uinta County Cooperative Extension Service (CES) at (307) 783-0570.

### January 22-23

#### Wyoming Winter Ag Expo

Wyoming State Fairgrounds, Douglas. For more details, call Scott Keith, Wyoming Business Council Agribusiness Division, (307) 237-4696 or Assistant Professor Steve Paisley, University of Wyoming Department of Animal Science, (307) 766-5541

### January 31-February 1

**Fremont County Farm and Ranch Days** at Fremont County Fairgrounds in Riverton. For more details, call Fremont County CES, (307) 332-1044 or (307) 857-3654.

### February 6-7

#### WESTI (Wyoming Extension's Strategically and Technologically Informative) Ag Days

At the Worland Community Center Complex. For more details, call Washakie County CES, (307) 347-3431.

### February 24

#### Winter Fair Livestock Show

In Lander at the Old Timers Arena. For more information, call Fremont County CES, (307) 332-1044 or (307) 857-3654.

A calendar of CES events is also available online at <http://wycs-uw2.uwyo.edu/agcollege>

## Expanded crop insurance available for Wyoming wheat and corn producers

Southeast Wyoming wheat and corn producers now have another crop insurance option to help manage overall revenue risk under the Federal Crop Insurance Corporation (FCIC) program.

The Group Risk Income Protection (GRIP) insurance offered through the program is similar to the standard Group Risk Plan (GRP). GRIP adds a revenue component.

GRP provides coverage for widespread loss of yield in a county, while GRIP provides coverage for loss of revenue in a county. GRIP is available for corn producers in Goshen County and wheat producers in Goshen, Platte, and Laramie counties. GRIP insurance is most suited for producers whose yields and revenues tend to follow their respective county averages.

### Program Outline

GRIP insurance utilizes much of the same information as GRP, with some additional components for revenue. GRIP, under the FCIC program, uses the county average yields and prices to determine

coverage levels and to determine indemnities. Yield and/or price declines countywide can trigger an indemnity payment.

To obtain GRIP insurance, a producer must determine a coverage level, which ranges from 70 to 90 percent of the expected county revenue and 60 to 100 percent of the maximum protection per acre. Premium rates vary with coverage level, and higher premiums are paid for higher levels of coverage.



Before insuring, a producer will know the expected county yield, price, revenue, and protection per acre determined by the Risk Management Agency and county data from the National Agricultural Statistics Service. These county figures help the producer choose an appropriate coverage level and trigger revenue. The trigger revenue is the revenue level below which an indemnity would be paid. The county expected yield and price are used to calculate the expected county revenue.

If the combination of actual county yield and price results in a county revenue level lower than the calculated expected revenue (trigger revenue), an indemnity is paid. Indemnity payments are figured using a payment calculation factor.

For example, assume a producer in Goshen County insures 250 acres of wheat with a coverage level of 90 percent of the expected county revenue and a maximum coverage of \$130 per acre.

The producer chooses to cover

100 percent of the maximum coverage (\$130/acre), giving \$32,500 of policy protection (250 acres x \$130 per acre). The expected county yield is 25 bushels per acre, and the expected price is \$4/bushel, resulting in expected county revenue of \$100 per acre (25 bushels times \$4/bushel). The trigger revenue would be 90 percent of \$100 per acre or \$90/acre.

Assume a drought reduces the county yield to just 10 bushels per acre. Harvest price remains the same as the expected price of \$4 per bushel, giving county revenue of \$40 per acre (10 bushels times \$4/bushel). This is lower than the trigger revenue by \$50 per acre, resulting in a payment factor of 0.56 (\$90 - \$40 = \$50, divided by \$90 = 0.56).

Multiplying the payment factor by the policy protection gives the resulting indemnity payment of \$72.80 per acre or \$18,200 in total indemnity (\$32,500 times 0.56 = \$18,200, or \$18,200 divided by 250 acres = \$72.80 per acre).

### Points to Remember

It is important producers remember that, as with any group insurance, not everyone who experiences yield reductions will receive an indemnity payment. GRIP does not cover losses due to delayed or prevented planting or replanting losses. Sign up dates are September 30 for winter wheat and March 15 for corn.

A \$30 administrative fee must be paid in addition to the policy premium per acre. For more information on GRIP and other crop insurance options, consult a local crop insurance agent. Visit the Western Risk Management library online for this and other topics at <http://agecon.uwyo.edu/riskmgt/>.

*James Sedman is a consultant to the UW College of Agriculture's Department of Agricultural and Applied Economics, and John Hewlett is a farm and ranch management specialist in the department. Hewlett can be reached at (307) 766-2166 or [hewlett@uwyo.edu](mailto:hewlett@uwyo.edu).*



DNA testing is another tool that can be used for herd improvement. It is not the silver bullet; however, if used in combination with other selection tools, such as EPDs, it can help herd development.

## A bull buyers guide to DNA information

The amount of genetic information available to bull buyers continues to increase. Not only are there more expected progeny differences (EPDs) being reported, but DNA-based genetic information is now also reported. DNA test results are available for many traits such as coat color, horned/polled, marbling, and tenderness.

What does all of this DNA information mean, and how can a bull buyer use it?

Coat color (red or black) and horned/polled tests offer bull buyers straightforward results and value that is relatively easy to calculate.

The coat color test has three potential results: homozygous non-black, heterozygous, or homozygous black. The horned/polled test also has three results: homozygous horned, heterozygous, or homozygous polled.

Since both black coat color and “polledness” are dominant conditions, an animal testing homozygous for these traits will always have progeny that exhibit these traits;

however, a heterozygous black or polled bull will look black or polled but carries the other trait, and his progeny may or may not be black or polled. Caution is urged when buying a bull advertised as double black or double polled, as this simply means both parents exhibited these traits. A double-black or double-polled animal can still be heterozygous for those traits.

For value to the bull buyer, black-hided animals often receive a premium in the market place. Assume that premium is \$2/hundredweight (cwt) and that a bull will produce 25, 500-pound calves per year for four years. The total premium from a homozygous bull would be \$1,000 and, since on average a heterozygous bull would still produce at least 50-percent black calves, his total premium would be \$500.

In this example, the value of a homozygous black bull to a buyer would be \$1,000 minus \$500 = \$500. A buyer can calculate the value of a homozygous polled bull

by determining the amount of money spent on dehorning animals or the discount \$3-\$4/cwt received for horned animals in the market place.

DNA information is also available on meat quality traits. Current tests report the absence or presence of genetic markers positively associated with marbling or tenderness. The impact each of these make on a breeding program, and the value of the information, depends on several factors. Considerations are the frequency of that genetic marker in the bull's breed, the amount of genetic variation that can be accounted for with the marker, and the heritability of the trait.

The National Beef Cattle Evaluation Consortium ([www.nbcc.org](http://www.nbcc.org)) evaluates commercially available genetic markers and provides validation results. These results help determine if the genetic information provided for a bull is of any value for a producer's herd.

Finally, DNA testing is another tool that can be used for herd improvement. It is not the silver bullet; however, if used in combination with other selection tools, such as EPDs, it can help herd development.

For more information regarding DNA, including specific tests, please feel free to contact me at (307) 783-0570 or [brfeuz@uinta-county.com](mailto:brfeuz@uinta-county.com).

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### Value of EPD information

“I sell weaned calves, so how much can I afford to pay for a positive weaning weight (WW) expected progeny difference (EPD)?”

This example might help answer the question.

Bull A WW = +5 pounds

Bull B WW = +15 pounds

Difference = 10 pounds

On average, if bred to the same cows, Bull B will produce calves 10 pounds heavier than Bull A. If calf prices are \$100/hundredweight (cwt) and both bulls produce 25 calves per year for four years, how much more can a producer pay for Bull B?

Ten pounds times 25 calves times 4 years times \$1 = \$1,000. Unfortunately, the EPDs for young bulls are not very accurate, so the actual value may be significantly more or less than that \$1,000. Given the increased risk of low-accuracy EPDs, the actual additional amount paid for Bull B should be less than the \$1,000, depending on a producer's risk tolerance. To help make this decision easier, many breed associations now publish dollar-value EPDs.

When selecting based on EPDs, there are other factors to consider.

- EPDs can only be used to compare animals within the same breed.
- Selecting on a single trait, such as weaning weight, can impact other traits, especially if heifers are retained. One example is that weaning weight is positively correlated with mature cow size.
- The most important factor for success is to match bull selection using EPDs with a marketing strategy and production environment.