

RIPPE GELBVIEH

Taking Pride In Our Customer's Success

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Mission Statement:
"To produce superior Gelbvieh and Balancer seedstock based on economically important traits, which provide more profitability for our customers, and ensure the consumer a very satisfying eating experience."



Cutting Costs

By Duane Rippe

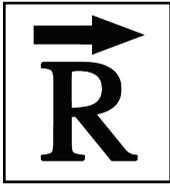
You never know if it will be profitable to develop replacement heifers. It appears when it rains again there will be ample demand for quality replacement heifers specifically ones that are crossbred after reading Dustin's article. I am focusing on a way to cut the costs associated with developing heifers that will also make better cows out of them.

I prefer to develop heifers much like you would overwinter a stocker animal. Research at the University of Nebraska indicates we can get by having these heifers at 55 to 60% of their mature weight as opposed to the 65% that earlier data seemed to show. I also prefer to have my heifers out grazing instead of their head in a feedbunk as I feel it is the most economical. Winter range or corn stalks with free choice salt and mineral supplemented with protein should be all that is needed. It doesn't really matter what protein you use as long as it is the cheapest per pound of N. Between 60 and 90 days prior to breeding we start feeding our heifers to gain 1.5#/day. As winter pasture starts to lose quality or winter weather requires more feed for energy we will increase feed but I still prefer to see them out looking for feed. Below is a cost comparison I put together. For 70 days we ran heifers on sedan that we valued at \$130/ton hayed or \$102/ton standing in the field with a projected yield of 1.875ton/acre. For mineral we used \$750/ton in all scenarios and high quality alfalfa at \$250/ton.

SEDAN		CORN STALKS		DRY LOT	
	Cost/HD/Day		Cost/HD/Day		Cost/HD/Day
Sedan	.875	Stalks	.098	\$252/Ton Ration	
Mineral	.1	Mineral	.1	15#/HD/Day Dry	1.89
		Alfalfa 3#/Day	.375		
Yardage	.3	Yardage	.3	Yardage	.45
Total	1.275	Total	.873	Total	2.34
70 Days	\$89.25	60 Days	\$52.38	130 Days	\$304.20
				Sedan + Stalks	\$141.63
				Savings/HD	\$162.57

As you can see we were able to save \$162/hd running them on sedan for 70 days and corn stalks for 60 days compared to a dry lot scenario. Once pregnant, these heifers should make better cows the rest of their lives. It is our goal to eliminate the hard going and late maturing poor fertility heifers before they ever become part of your cowherd.





Cattle Market Update

By Dustin Rippe

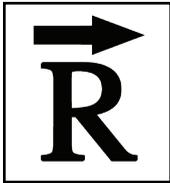
The cattle market has been a wild ride for the past 12 months with massive swings up and down. It is more critical now than ever for cow/calf producers to incorporate risk management into their business. Cow calf producers are especially vulnerable when they market their entire product one day of the year.

Looking forward the cattle feeding and packing sector are going to go through some of the most difficult times I have ever seen. We will see consolidation in the industry and a few big players will be forced to shut down. With the decline in cattle numbers, it is inevitable. The most efficient will survive. For the cattle feeder their biggest concern is feeder cattle prices and increased competition with other feedyards to fill empty pens. In addition, cattle prices will hinge greatly on export demand and how the consumers react to significantly higher prices. We have not priced this next leg the futures are implying on to the consumers yet. It will be interesting to see how they react.

For the cow/calf industry profitability will be the largest they have ever seen over the next few years. I don't think we have even touched the high end of what feeders will eventually get to. Although the spring feeder contracts are starting to look high to me, imagine where feeders would be with \$5 corn. The most critical thing for the cow/calf producer is to maintain the same numbers and that is very difficult in a drought. When you reduce numbers your fixed costs per head go up and your cost of replacing that animal when moisture does arrive is substantial.

Bearish Nuggets: Record carcass weights are covering up the decline in actual numbers. Cattle feeder and packer are both operating in the red. Pork and Poultry production continue to increase.

Bullish Nuggets: Japan will open up soon my sources tell me. The drought continues to cause our herd to decline in the U.S. and global beef supplies are also tight.

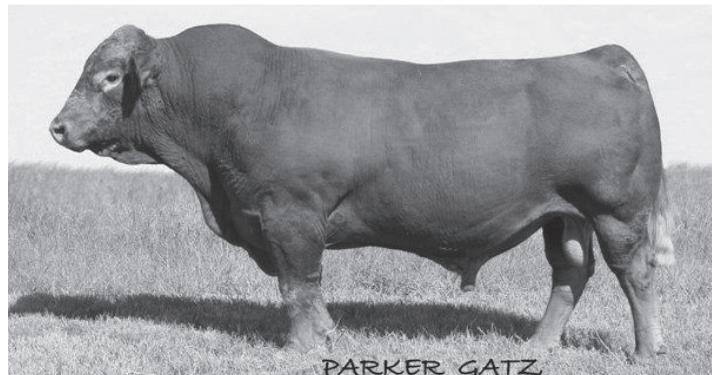


Registered Cattle Carcass Data Results Revealed



LAZY TV WATCHMAN

AMGV 1115408 86% Choice
71% CAB 71% YG 2 (7 Head)

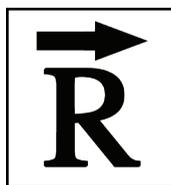


CRAN BUDDY BOY

AMGV 1039981 67% YG 1 (9 Head)
56% Choice AVE REA 16.88

We strive to produce cattle that make our customers money in the pasture and on the rail. As a result we measure cow efficiency, take udder scores, and feed out our cattle. This is all real data you get when you purchase a bull from Rippe Gelbvieh.





The Value of Maternal Heterosis

By Dustin Rippe

I went to college and listened to professors talk about heterosis as I was dozing off. I read Beef Producer and other ag magazines, specifically Harlan Hughes talk about heterosis. I listened and somewhat believed but for the people that know me I learn when I can witness it firsthand. I had a hard time fully believing what a college professor was telling me when he didn't own any cows for himself.

2012 is the year I learned the value of crossbred cows. Our operation is unique in that we run purebred cows along side with balancers or crossbred cows. We define a purebred cow as having 88% or more of one breed. The drought was tough this year and it showed up on our opens. 93% of the registered cows we took to grass came back bred. This was 3 to 4% lower than most years. However that isn't what was so alarming to me as I combed through the data. I could easily point to the drought and say it will snap back next year. Our balancer cows were 96.48% bred while the purebred cows were 85.71% bred. That is a 10.77% difference with the advantage going to the balancer or crossbred cows.

	% BRED
Balancers	96.48%
Purebreds	85.71%
Difference	10.77%

Heritability and Heterosis Comparison

TRAITS	HERETABILITY	HETEROSIS
fertility, mothering ability, calf survival	Low	High
birth and weaning weight, milking ability, and feedlot gain	Medium	Medium
mature weight, carcass quality	High	Low

From (Handley, 2010)

Before I get into the economics of the lesson I learned this year I want to touch on maternal heterosis. Maternal heterosis encompasses multiple different traits, which

include calf survivability, weaning weight, cow fertility, and cow longevity. According to Ms. Bandyk, data from Texas A&M University showed "crossbred cows weaned calves that were 38 pounds heavier than similar straightbred cows, even though crossbreeding had virtually no effect on birth weights.

Let's figure out the value of a crossbred cow. A cow is typically worth two times the price of a calf however because of the drought that is not the case. I promise you that will snap back in the next 12 months. If calves are worth \$1100 next fall which I think they will easily achieve that value, a bred cow would be worth \$2200. At this time I figure a cull cow to be worth \$1200, not a special one just a running age bred cow. At 10.77% more open females it would cost you \$10,770/yr to replace those females if you run 100 cows. The math behind this is $10.77\% * (2200-1200) = \$107.70 / \text{cow} * 100 \text{ cows} = \$10,770$. If you ran 400 cows, it would cost you \$43,080/yr. It gets better than that. Let's assume you ran 400 cows per year for the next 20 years and figure a 6% return. It would add up to \$1.585 million over the next 20 years.

Now I don't think there is a 10% difference in these two groups every year, but I would make a significant wager it will be at least 3%. I can promise I will be tracking this in the future as there aren't many operations that run purebred and crossbred cows together in the same contemporary groups. According to David Daley, Associate Dean at California State University-Chico College of Agriculture, where he manages the schools beef program along with several hundred of his own commercial cows, he summarized this matter in this way: "It is time for many producers to design long-term, simplistic plans that capture maternal heterosis. I would not want to manage cattle in any environment without that incredible value." Maybe those professors aren't too bad after all....



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RIPPE GELBVIEH BULL SALE

Saturday, March 9, 2013

1:30 pm

**Belleville, KS - Belleville 81 - Livestock Sale Barn
Complimentary Lunch at 12:00**

**55 Bulls, 36 Black Balancers, 15 Red
Balancers, 4 Black Purebreds, 12 Commercial
Females, 5 Registered Females**

For More Information Contact

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