

GILL RED ANGUS NEWS

"The #1 Seed Stock Supplier for Top Red Angus Genetics and Customer Service!"

SPRING 2008

Hello,

Well, it looks like winter is here, at least on this east side of the Missouri River anyway. Here in Fargo, we received around a foot of snow and were below zero for a few days around the first of December. It always comes too early for me. But it is a good start for some needed moisture.

Our bull sale was again a success this past fall. It is always nice to see friends and customers again, while meeting new ones as well. (Check out the sale report listed below.) The crowd was absolutely great. In fact, it was the largest we've ever had, with 103 buyer names that signed up for a bidder number. It feels good to see this many ranchers putting their faith into our program. We sold cattle into 8 states and 30 of the 80 bulls went to new customers. We couldn't ask for anything better. Since then, Dad has been on the road delivering bulls, trying to get them all out while the roads are still good.

With the fall sale over, we've started preparing for the spring sale. Let's just hope that the weather will be decent. You never know what will happen in February! In this sale, we will be selling 60 bulls and several elite open commercial replacement heifers consigned by Gill Red Angus customers. We are still taking heifer consignments, so if you have any replacement quality heifers that you want to move, let us know right away so we can get them listed in the sale catalog.

Merry Christmas and thanks for another great year!!!

The Gills

Sale Report

80 Bulls - \$3200

119 Commercial Bred Heifers - \$1250

21 Commercial Cows ages 3 to 11 - \$1375

High selling lots

Lot 1 - \$7250 to Dan & Tara Hooper, NE – Thanks Hooper's!!! They also got last year's top selling bull. Talk about a set of calves they raise! We purchased and are feeding their steer calves this winter.

Lot 88 - \$6000 to Franklyn O'Driscoll, UT – Thanks Franklyn, our #1 Superior Livestock customer! We placed his calves in a feedlot in MN this fall.

Lot 3 - \$5750 – Schmitz Red Angus, MN – Thanks Kevin. We will see more of this bull in the future through their annual bull and female sales.

Lot 2 - \$5000 & Lot 4 - \$4250 - 15 Commercial Bred Heifers - \$1500 a piece - Tyler Messner, ND - Thanks Tyler. We appreciate you coming and buying from us for the first time!

Several other high dollar bulls sold to top commercial and registered ranches around the country. We really appreciate all the business. Thanks again!

Calving season is right around the corner

With everything else going on in your busy lives, remember that besides selling seed stock, we are here to save you some money and hopefully make you a little as well. Nearly all of you tag your calves at birth. If you do, we highly recommend you to use the FCCP tags from the National Red Angus office. These tags will do way more for you than just give you identification. Read the info in the below article to learn more.

Since nearly all of you give some sort of vaccinations to your calves at birth and branding, give DeTye Vet Supply a try. They guarantee the lowest prices on all vet supplies, and if you are a Gill Red Angus customer, you then qualify for a 3% discount on top of the already low prices. Also, if you spend more than \$250, they will ship your order to you for free. We have been using DeTye now for several years and have been more than happy with the results. Plus, when they drop it off at your door step, it beats the heck out of driving to your nearest vet supply store with \$3.50 diesel.



New Years Resolutions for RAAA Feeder Cattle Certification Program (FCCP)

Written by: Ron Bolze, Director of Commercial Marketing, ron@redangus.org

It's that time of year wherein many of us think about potential New Years resolutions. The beginning of a new year is a great time for some genuine soul searching and to reflect back across the year just gone by in an attempt to plan for the future. You have heard it many times before. One of the fundamental differences between the RAAA and most other national level breed associations is that the RAAA marketing staff is not directly involved in helping to merchandise its members' (Red Angus breeders) cattle (Core Policy 5), rather, RAAA marketing efforts are devoted to creating greater value for the cattle produced by the commercial users of Red Angus genetics. RAAA marketing staff constantly devote much time and effort into "tweaking the system" to create greater value for commercial Red Angus cattle. However, we cannot do it alone. We need your help.

The following "check list" of potential New Years' Resolutions for the commercial users of Red Angus genetics may put a few more dollars in your pocket in 2008.

Participate in the RAAA Process Verified Program (PVP) – the Feeder Cattle Certification Program (FCCP)

The FCCP has enhanced the value of Red Angus sired feeder calves, feeder cattle and fed cattle for the last 13 years. The first 12 years, the FCCP had two USDA approved claims including: 1) genetics- the cattle carrying the FCCP tag are at least 50% Red Angus usually sired by a registered Red Angus bull transferred to the commercial producer and; 2) source to the ranch of origin for potential trace back purposes though this has never been an issue. Since September 2006, the FCCP has claimed age verification to further enhance the value of product from Red Angus sired fed cattle destined for the Japanese fed beef market that requires documentation of cattle less than 20 months of age at the time of harvest. FCCP "yellow tagged" feeder calves, feeder cattle and fed cattle have commanded premiums over non-tagged cattle for the 13 year history of the program. To participate in the FCCP, merely call the Red Angus office (940 387 3502), ask to speak with Ann and she will put you through a 10-15 minute "Supplier Evaluation" process to determine eligibility and audit frequency. Tags can be purchased at a reduced rate the months of December through March. Initiate this process before March 31, 2008 and save yourself a few bucks. Plus you can have the tags on hand during the calving season as the FCCP tag can serve as your management tag and avoid a duplicate tag purchase.

Use the FCCP tags in sequence

After you have been through the "Supplier Evaluation" process, you will have FCCP tags shipped directly to you from Temple Tag, Inc. You will also receive the "Customer Enrollment Report" and the "Customer Satisfaction Report" from the RAAA. Calves can be tagged with the FCCP tag at any time prior to leaving

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RAAA Feeder Cattle Program...continued from page 1
the ranch of origin (at birth, branding, pre-weaning vaccination, weaning, at shipment, etc.). Use the tags in order for ease in reporting tag use range.

Return the "Customer Enrollment Report"

Many previous participants in the FCCP drop the ball at this step. To receive the "Certificate of Compliance" that goes along with the cattle claiming that they are genetic, source and age verified, the "Customer Enrollment Report" must be returned to Ann at the Red Angus office as soon as the range in tag numbers is known. The "Customer Enrollment Report" contains the range (not individual tag numbers) of tag numbers used in the current calf crop and the date of the first calf born for group age verification. Herein lies the importance of using the tags in sequence. If the tags are used out of order, individual tag numbers need to be reported. If you calve both Spring and Fall, submit separate "Customer Enrollment Reports" to avoid potential confusion on group age for age verification.

Return the "Customer Satisfaction Report"

Information contained on this report enables the RAAA marketing staff to make continued improvement in the FCCP to meet suppliers' needs. This is a one-page report that should not take more than a few minutes of your time.

Provide the "Certificate of Compliance" to the Cattle Buyer

After the "Customer Enrollment Report" is returned to the RAAA office, a "Certificate of Compliance" will be sent to the ranch of origin. The range of tag use and birth date of oldest calf born (group age) has been entered in the FCCP data base. This set of cattle now "complies" with the three USDA claims – genetics, source and age verified. Whenever and however these cattle are sold (video, Red Angus influence cattle sale, weekly auction, private treaty, etc.), the "Certificate of Compliance" needs to be presented to the new owner. The "Certificate of Compliance" can be requested by any new owner from the RAAA office if the range of tag numbers is provided. The "Certificate of Compliance" must be presented with a load of Certified Red Angus fed cattle to achieve Cargill Meat Solutions Angus America carcass grid premiums and potential age/source premiums from other packers.

Complete participation in the RAAA FCCP is not a complicated process. It really boils down to a 9 step process:

1. Make the call. 940 387 3502. Ask for Ann.
2. Complete the "Supplier Evaluation Process".
3. Order tags at a reduced rate (December – March).
4. Use the tags in sequence.
5. Send the "Customer Enrollment Report" back to the RAAA.
6. Send the "Customer Satisfaction Report" back to the RAAA.
7. Receive the "Certificate of Compliance" from the RAAA.
8. Provide the "Certificate of Compliance" to the new owner.
9. Take advantage of RAAA Marketing efforts (Feeder Fax, ProCow, Red Angus influence feeder cattle sales, etc) to enhance the value of your Red Angus cattle.

Here's to a simpler, more complete participation in the RAAA FCCP in 2008. Happy New Year!

The Gill Red Angus Cow Herd

Like most of you, we make our living off of our cattle. We do not farm or have a hunting business. We live off of the ranch. So we have to do the best job we can in the most efficient way possible. The "experts" tell us we should be downsizing our cow size, and for some cattleman, that may be correct. I mean, huge cows do cost more to keep around. We think that a 5.5 to a 6 frame cow is the perfect size and most efficient, as long as they have the body to go with it. The 6 frame cattle in the 80's are totally different than the 6 frame cows of today. At least ours are. We have as much middle on our cowherd as we do muscle in our bulls. Our cows have the capacity to stay in great shape all year round. I encourage you to take a look at our ads, past sale catalogs, come visit, or go to our website and see the type of cattle we are raising. By

making cows this way, it only helps you out in the long run. Our cows are easy fleshing, good uddered and have good feet under them. We have to have better cows and raise better bulls than the rest of the industry, because if we do not, you will get your genetics from the guy who does a better job. We put on thousands of miles every year looking for our next herd sire. As we do this, we require that we see his dam, as a bull will throw daughters that look like his dam. Our cows are required to go out and make a living without us pumping a lot of money and feed into them. If they can't, then how could we expect their offspring to possibly do it for you? Be assured that we are doing our homework and spending the time and money to get our cowherd the way it needs to be, for us as well as yourselves to make a living off of.

Are Gill Red Angus cows optimal?

We feel we are raising an optimal beef cow for our customers. Our cows are required to do it on grass without being pampered. In fact, this year we are starting something new for our replacement heifers. In the past, we have always locked them up and fed them a total mixed ration. This year they are out on grass and we are only feeding them hay and a protein supplement called Loomix. (This is the same protein we have available for the cow herd starting in January until it warms up.) We want our heifers to learn early that they can and will do it without any additional help the rest of their careers.

These cows are also raising the kind of bulls that will give our customers a premium, whether it is at the sale barn or on the rail. It is proven over and over again at the barn that Gill Red Angus sired steers receive as much or more than any other cattle being sold that day (red or black), and the straight red heifers sired by our bulls almost always receive a huge premium at the barn.

These steers and heifers will grade and feed great as well. In fact, we are way ahead of the national average in all the feeding and grading levels, including daily gains, cost of gains, carcass grades, yield of meat per animal, rib eye size, along with only a few yield grade 4's and higher. This is why we now have feedlot owners who are actually buying bulls from us and sending their customers to us to get bulls as well. They have enough confidence in our program that they not only want to feed other peoples' cattle sired by our bulls but they are investing into our ranch's genetics to improve their own. We know our cattle will work in the pasture, the feedlot and on the rail. Feel confident that yours will too when you are using Gill Red Angus genetics.

Our take on the FCCP Program

By bidding on and buying tagged calves this past fall, it is evident that the Red Angus tag is more important now than ever before. The feedlots and buyers we do business with, will nearly always give a healthy premium on calves that are tagged. This is because they will in turn also receive a premium for these tagged calves. If we can give you a \$10/head premium on your six weight calves, that is nearly \$1000 extra for a load and that doesn't include the bids we would already use on your calves just because you are our customer. Why not use these tags, when nearly all of you buy tags and put them in anyway? Remember, you won't make a penny extra on the tags of the past.



All Gill customers can receive a
3% discount on all vet supplies
through DeTye Vet Supply.
1.800.438.7541

The Spring Bull and Commercial Female Sale

February 8, 2008 at the ranch near Timber Lake, SD

Since we switched over to the fall sale, we have had all kinds of customers ask for a spring sale again. They have been asking for both yearling and aged bulls in the spring rather than the fall. So we decided to supply what you want. Because we have already had our fall sale, it wasn't easy to come up with enough cattle to have this sale. As you will see, the majority of the bulls in this sale are embryo transplant cattle out of some of the absolute best cows in the entire country. Feel confident that the daughters out of these bulls will be the best you can make. They will be bred for both maternal and performance, and the carcasses will be at the top as well. Since we do not have a spring calving herd yet, we had to put in a lot of embryos. You will see that a handful of the bulls will be out of cows that are not owned by Gill Red Angus. Since we are committed to delivering only the best product we can raise, we actually got several embryos out of donor cows that we feel are the best from some well-respected breeders around the country. Bryan does some consulting work for the owners of these cows, so we know them as well as our own. We are confident that they are as good as, if not better than most other cows in the breed, including some of our own cows. None of these bulls have ever been offered for sale before.

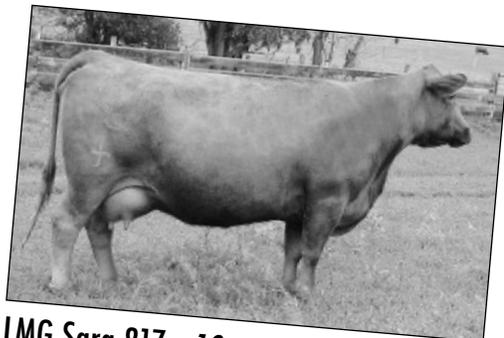
Selling 61 bulls and several customer owned commercial open heifers

Bulls

- 39 yearlings – 11 months old by sale day (all ET)
- 16 fall born – 17 & 18 months old by sale day (50% ET)
- 3 early winter born – 14 months old by sale day (all ET)
- 1 two year old (ET) - He was supposed to be in the fall sale, but was sick at the time of making the catalog.
- 2 Herd Sires - We have used these bulls on registered cows.

Heifers

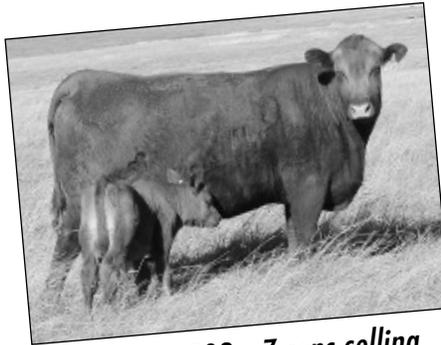
- 50 commercial Red Angus open heifers from Tarter Ranch, Camp Crook, SD
- 15 commercial Red Angus open heifers from Gill Red Angus, purchased from customer, Gerald Dahlseng from Starbuck, MN



LMG Sara 817 - 10 sons selling

- More heifers by sale day

If you cannot make it to the sale, but would like to take part in the bidding and buying, it will again be broadcasted live at: www.superiorlivestock.com and on RFDTV by Superior Livestock. We have had several customers use this option the last two sales and they have been more than satisfied. As you can see, we



LMG Dynette 902 - 7 sons selling

are doing all we can to make our program work for you.

Give us a call when you decide to sell

(Before your calves are on the truck)

Do you sell or market your calves? Most ranchers take their calves to the barn and take whatever price they get that day. This has been a common practice now for years and years, but is it the best thing to be practicing? Everyone's program is different. Some have more time and more connections whereas others don't want to mess with it. We think it is extremely important to market rather than sell, or settle is the better word. This is one reason why you should use a bull supplier like Gill Red Angus. We guarantee that we will bid on your calves when you sell as long as you let us know in advance where and when you are selling. We are now working with feedlots and order buyers around the country and filling as many orders as we can with Gill Red Angus sired calves. Our bids are making our customers an extra \$2 to \$5/cwt or up to \$30 a calf, which is about \$2500 a load! This is huge.

Here is a little success story from our customer service program: This fall we got a call from a good customer that was planning on selling 700 steer calves in Philip, SD. We did our homework and lined up bids from a couple feedlots before we went to the sale. We didn't have quite enough money to get them bought, but we were contending bidders on about 600 head. We kept track and added up how much we made this customer. Just by just bidding and being contending bidders alone, we made this ranch an extra \$8500. Without us there, they would have been short quite a bit in their check. It pays to be a Gill Red Angus customer!

Is The Optimal Beef Cow Fact or Fiction?

BEEF Cow-Calf Weekly,
www.beefmagazine.com--
Troy Marshall

At a recent symposium at the National Western Stock Show, we looked at the optimal beef cow. The conclusion was that the optimal cow exists, but no one knows who she is.

By its nature, "optimum" is never optimum for long when you're talking about biological animals. With the genetic tools we have available today, the optimum beef cow of 20 years ago should be a sub-par cow today.

Differing geographical locations, management practices and marketing programs can all dramatically shift the definition for what the ideal beef cow is. A farmer in Iowa retaining ownership on all his calves and selling them on a carcass-weight basis through a value-added beef grid has a totally different definition of "ideal" from a rancher in Arizona who sells all his calves at weaning.

The optimum beef cow has to be determined via a total-systems approach, where efficiency is measured not only at the ranch gate but throughout the production process. Efficiency, in and of itself, has to be separated from all the rhetoric to get to the science of it.

It's almost universally accepted, for instance, that animals with smaller frame scores equate to more efficiency from the cow side but less efficiency from the fed-animal side. However, the data would indicate there's really no difference in biological efficiency as it relates to mature size. And that -- while frame size is a moderately good indicator of mature size -- it's certainly just an indicator trait. Small isn't necessarily better.

To find the optimum beef cow, you have to have a very good understanding of the resources, economics and marketing opportunities of a given operation. Then you fine-tune mature size, milk production, growth, mating systems, etc., to that set of resources and factors.

Multi-trait and balanced-trait selection has always been the answer, but marketing and the laws of differentiation have always encouraged single-trait selection. That's why there's so much discussion about that optimum beef cow.

The odds are you won't find her in a situation where the goal is to maximize production and carcass traits. Likewise, you won't find her where somebody is trying to ignore everything past the ranch gate, either.

**Be sure to check out our
website**

www.gillredangus.com

**for the latest
information, photos and
semen & sale catalog**



The Gill Red Angus Customer Marketing Program

Something we do that most of our competition does not is our Customer Buy Back Program. Our slogan is “You buy our bulls and we will bid on your calves”. This has really helped our customers on selling day. We ran some calves up as much as \$5.00 per hundredweight. You add that up on a pot load of 600 lb steers and you made an extra \$2500 just by being our customer. Compare that to our sale averages the last few years -- that’s nearly a free bull. How can you go wrong?

Here is how it works:

- ✓ First, you must be a customer of ours. At marketing time, contact Gill Red Angus with which marketing option you wish to pursue:
 - Complete Retained Ownership.
 - Partial/Partnership Retained Ownership.
 - Livestock Auction or Off-the-Farm Marketing - Sell 100% of your calves off-the-farm or at the stockyards and a Gill staff member will be there to place a bid on them for you.
 - Replacement Heifer Marketing - Market your top quality open and bred heifers through our bull sale in November. (We have spent thousands of dollars on advertising over the years. Use our past advertising and known name to market your replacement females.) Call for more info on this.
 - Discounted semen available to all commercial customers.
 - Discounted Vet supplies available to all customers through DeTye Vet Supply.
- ✓ When possible, we will work with our customer base to help form co-mingled loads of calves.
- ✓ Upon harvest, if possible, Gill Red Angus will prepare a report complete with feed yard and harvest data for your use. The Gill staff will then schedule a meeting with you to discuss ways we can help add profit to your bottom line.
- ✓ Gill Red Angus will then keep a copy of your calves’ feedyard and harvest data in our records. Gill Red Angus will then mail out a copy to potential feeders and buyers the next time you sell. This has helped get more buyers interested in GRA customers’ calves.
- ✓ We are also available for consultations regarding breeding, replacement heifer procurement, and all marketing options. We will help you any way we can to make your bottom dollar grow.

“You buy our bulls, we will bid on your calves!”

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