



FAQ on Feed Intake EPD and the Feedlot Value Index (\$F)

What's happening?

The Feed Intake EPD will be incorporated into \$F.

When is it happening?

December 5, 2014.

What's the feed intake EPD?

The Feed Intake (FI) EPD is calculated in the background as a required precursor to the Residual Average Daily Gain (RADG) EPD. Though it is not visible along with the other more commonly known EPDs, it is available in AAA Login to the owner of those animals that have individual feed intake data (i.e. GrowSafe information).

Which \$ Indexes will be impacted?

To obtain a better estimate of profitability through the feedyard, the FI EPD will be incorporated into the \$F Index. \$F and \$G (Grid Value) together go into \$B (Beef Value). In other words, \$B is a terminal index that focuses on profitability through the feedyard and on the rail.

Why now?

When the indexes were first developed in 2004, very little feed-intake information was being collected and the RADG EPD did not exist. At that time, \$F attempted to account for differences in feed efficiency by assuming that faster-gaining cattle are more efficient. There's certainly a high correlation between growth and efficiency, but the relationship is not perfect. Today, we have over 13,000 individual animal feed-intake records and more than 100,000 animals have molecular breeding values for dry-matter intake (DMI).

Why is it important?

The goal of the \$Value Indexes is to explain expected differences in profit for the various phases of production. Since the cost of feed has a major impact on the economics of cattle feeding, it's important to estimate that cost as accurately as possible.

Also, it's important to note in the last 10 years (since the development of the \$-Value Indexes), the Angus breed has an increasing genetic trend for feed intake. Of course, this is expected as we've also seen an upward genetic trend for growth and carcass traits. However, incorporating FI into \$F will give us a chance to moderate the trend for FI while continuing to improve for growth and carcass (much like has been done for BW and the other growth traits since the development of EPDs for those traits).



Economic Assumptions

	Current Assumption	Dec 5 Assumption
Base Calf Price	\$145/cwt	\$180/cwt
Cow/Heifer Mix	80%/20%	No change
Cow Weight	1300 lbs	No change
Feed Energy Cost	\$0.09/MCal NEm	\$0.115/MCal NEm

Feedlot Assumptions	Current Assumption	Dec 5 Assumption
Time on Feed	160 days	No change
Ration Cost	\$305/ dry ton	\$295/ dry ton
Fed Market	\$115/cwt live	\$130/cwt live

Grid assumptions:

<i>Quality components:</i>		
Prime premium (above Choice)	\$14.00	Same
CAB premium (above Choice)	\$4.00	Same
Choice-Select spread	\$10.00	Same
Standard discount	(\$22.00)	Same

<i>Yield components:</i>		
YG 1 premium	\$4.50	Same
YG 2 premium	\$2.25	Same
YG 3 base	\$0.00	Same
YG 4 & 5 discount	(\$18.00)	Same
Avg. carcass wt., lb.	816	Same
Heavyweight discount	(\$20.00)	Same