



Canadian Beef Breeds Council

## Purebred Risk Assessment Project

Feb 22/07

### IPSOS-REID: Purebred Risk Assessment: Commercial Cow-Calf Customer Survey

#### Synopsis of findings

*Note: This synopsis shares just one aspect of the findings of the Purebred Risk Assessment (PBRA) Project - Phase 1. While informative, these findings should not be considered in isolation, but as a contributing component to the overall findings from this initial, significant phase of the project.*

#### Background

The Purebred Risk Assessment (PBRA) Project is a major initiative of the Canadian Beef Breeds Council (CBBC) designed to identify and address various producer business risks associated with producing and marketing purebred beef genetics. The PBRA project is funded through the Private Sector Risk Management Partnership (PSRMP), a Business Risk Management program of Agriculture and Agri-Food Canada, under the Agricultural Policy Framework (APF).

The first phase of the project included a member-producer survey, cow-calf customer survey, evaluations of sector communications, and industry focus groups; during this phase seven key risk areas to the purebred sector were identified. We are pleased to share this overview of findings from the survey together with some interpretation/comment from CBBC.

#### Focus

Five hundred commercial operators who use purebreds were surveyed; participants in Western Canada were required to have a minimum of 50 breeding females, and those in Eastern Canada to have 30 breeding females. Fifty-six per cent of those surveyed had 100 females or more. Commercial operators who were also purebred breeders were excluded from the sample.

The commercial customers were surveyed:

- To determine their use of purebred stock, and semen and embryo transfers
- To better understand commercial operators' breeding program strategies including their rationale for using purebred stock, or not
- To garner their mindset about the purebred sector
- To examine commercial operators' purebred buying processes including receiving registration papers, or not

#### Highlight

Ninety-three per cent of commercial operators say the purebred sector is important to the success of their operation.

#### Registration papers

Almost 60 per cent of commercial operators *always* receive registration papers when they purchase purebred bull and a further 30 per cent *sometimes* do. Most often, the commercial operator automatically receives the papers from the breeder during the purchase process. Other reasons commercial operators seek the papers include: tracking the bull and its pedigree, and to support resale.

When the commercial operator does *not* receive registration papers they indicate it is because they do not view them as necessary for a commercial operation and see it as an extra cost. Other reasons they cite include: the papers are not available, they are not intending to sell stock as purebred, and they trust the breeder to know their stock.

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### **Nature of herd and business**

Use of composite or crossbred bulls by commercial operators is fairly common with 26 per cent indicating they are part of the herd mix. Nearly all operators purchase bulls and one in eight (also) raise their own. When operators choose to use purebred breeding bulls they prefer to purchase them, rather than lease. Commercial operators' satisfaction levels with purebred bulls are extremely high and eight in ten will be replaced after being used for five years or less.

Over the next five years 45 per cent of commercial operators intend to maintain their cow-calf business in the same manner/to the same level.

Interestingly, 54 per cent of their income is derived from their commercial cow-calf operation and 78 per cent of commercial operators also produce field crops.

A quarter of respondents have overall annual farm sales between \$50,000 and \$100,000; 40 per cent have sales between \$100,000 and \$250,000; 18 per cent report sales between \$250,000 and \$500,000; eight per cent indicate sales over \$500,000 per year.

### **Purchase considerations**

When considering a purebred purchase, commercial operators suggest conformation (visual appearance) and birth weight are the two most important factors. Other important considerations include: temperament, breeder reputation, ease of calving, price, breed, and size.

Half of commercial operators have at least some experience with EPDs (Expected Progeny Differences).

When purchasing a purebred bull, private treaty is preferred most by half of the producers, another quarter favor breeder production sales.

For information on beef genetics/beef breeding, commercial operators rely most on livestock publications, newspapers, purebred breeders and other farmers.

### **Relationship with breeders**

In addition to the high satisfaction levels with the purebred bulls, the commercial operators also indicate almost unanimously high satisfaction levels regarding their interaction with purebred breeders and the services they receive from them. They also indicate a high level of confidence in the purebred breeder's ability and willingness to resolve problems with purebred breeding stock.

Thirty per cent of the commercial operators indicate they have been a purebred cattle breeder in the past. They changed to a commercial operation because they felt: the purebred operation involved too much paperwork, it was expensive, the business was not performing well/poor return on investment, too labour intensive, took too much time, and is too political.

This synopsis highlights most, but not all findings from this survey. If you would like further information or have questions about this content, please contact CBBC, or: Duncan J. Porteous, Project Manager, CBBC Assessment. Member-Producers "Risk Management Concerns" Ph/Fax: (403) 269-1100 E-Mail: [duncan.j@telus.net](mailto:duncan.j@telus.net)

*The Canadian Beef Breeds Council (CBBC) represents the Canadian purebred cattle industry. Its members include national breed associations that in turn represent more than 10,000 producers of breeding stock. Associate CBBC members are exporters and service providers. The mandate of the CBBC includes: Animal health policy; Trade access and market development; Genetic improvement; Research and development; Education and extension.*

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