

MACC INDUSTRY SECTOR UPDATE

October 2015



Mid America Cooperative Council

October Features the Genetics Cooperative Sector of Our Membership

It's About More Than Providing a Unit of Semen



Dairy and Beef Cattle Genetic Cooperatives, today, are focused on producing pregnancies that create individual animals and groups that are healthy, long-living and profitable for their owners.

Developing and making breed-leading genetics available to producers is critical to moving our industries forward and meeting the public's mounting food supply needs. With today's technologies, including DNA analysis (genomic testing) and sexed semen, Genetic Cooperatives are able to more easily and rapidly make available the genetics needed by producers.

Having the genetics available is only one piece of the plan; matching those genetics with the goals of the farm and the phenotypes of their herds is just as important. So how do we go about the match-ups? To oversimplify, think about any one of the popular dating websites, but instead of match.com or eharmony.com, Genetic Cooperatives have their own programs.

As a member-owner of the world's largest A.I. cooperative, Select Sires; NorthStar Cooperative offers different "dating" programs designed to meet the unique needs of producers. The original and more traditional program, Select Mating Service (SMS), is based on individual matings and is ideal for small to medium size herds, as well as large herds still interested in individual animal development. Since it was first introduced in 1983, interest in SMS has exploded with more than 5 million dairy cattle across the globe being mated last year alone. Needing a more modern approach to "dating," Select Sires developed the StrataGEN program which looks at the population of animals and genetics on a farm rather than individual matings. The StrataGEN program is a simple and easy approach to use in large herds, allowing for genetic progress while eliminating inbreeding.

Clearly, one size doesn't fit all. For producers who are not interested in a program, but are still interested in an organized approach to genetic improvement, Select Sires has created a variety of designations (FeedPro, HealthMark, Superior Settler, Showcase Selections, etc.). Bulls receive special designations based on their production and type traits, making it easy for producers to find the type of genetics they want to include in their herds.

Breed-leading genetics and easy to use mating programs don't create pregnancies though, and pregnancies are what really matters.

Genetic Cooperatives have broadened their knowledge and scope, becoming reproductive experts. The degree of involvement Genetic Cooperatives have on a farm varies, ranging from providing breeding service for animals once they are identified by the dairymen, to organizing and implementing the entire reproduction process in a herd (heat detection, breeding, record keeping). We tie it all together by monitoring a herd's production and reproduction records to know what is working well, and where changes need to be made for improvements. NorthStar offers this analysis through Select Reproductive Solutions (SRS), which allows our experts to discover reproductive issues in a herd and make recommendations to improve these areas of the dairy. As technology has advanced, Genetic Cooperatives have developed activity/health monitoring systems— much like a "Fitbit".

These monitoring systems measure temperature, rumination and activity which allow producers to know if a cow needs to be bred or is getting sick; ultimately helping the dairy manage the health, fertility and feeding of the herd. These "Fitbits" come in a variety of shapes and sizes, with an ear tag being the most recent style.

While originally established in 1944 through the cooperative efforts of Michigan State College and Michigan dairymen with the sole purpose of improving cattle genetics, NorthStar Cooperative is dramatically different today. Our mission "to enhance producer profitability through integrated services" has caused the NorthStar business structure to expand beyond the scope of genetics and today includes DHI Services, animal health and diagnostic testing, as well as herd management products. The expansion and integration of services combined with our team-based employee structure makes NorthStar unique among Genetic Cooperatives. *(Mark Adam, CEO Northstar Cooperative)*

2015 MAC-ED PROGRAM CALENDAR

Co-ops101 Classes

November 5 Louisville, KY Farm Credit Mid-America

CFO Essentials Conference

November 4-5 Indianapolis, IN Marriott East Indianapolis

CFO/Controller Conference

November 5-6 Indianapolis, IN Marriott East Indianapolis

MACC Board Chair Roundtable

December 17-18 Bloomington, IN Hoosier Energy

2016 MAC-ED PROGRAM CALENDAR

Cooperative Leadership Forum

February 24-25 Oxford, OH Miami University

March 8-9 Oxford, OH Miami University

COBA/Select Sires

COBA/Select Sires, largest of nine member cooperatives of the Select Sires



federation, serves the genetic and reproductive needs of dairy and beef producers in Arizona, New

Mexico, Ohio, Oklahoma, Texas, parts of Eastern Indiana, and the western part of Pennsylvania and West Virginia.

COBA/Select Sires offers semen and service on six dairy breeds and over ten beef breeds. As a cooperative, COBA strives to focus on the success of the member-owner-customer. This has led to significant investments in resources, time and people to offer the very best genetic product backed by the best people in the industry. Every trend seen in the dairy industry results in a change or growth opportunity for the Select Sires federation.

The introduction of genomics in 2009 has rapidly changed the industry from an information and sales standpoint. The genomic information available to dairy and beef producers today can be mind boggling. Through DNA testing, we can make a prediction on what the offspring of an animal is with 75% accuracy at the time the animal is just days or weeks old. While progeny test information is the more reliable, with a little more risk we are turning the generation interval years faster than we did a decade ago based on genomic predictions. As a dairy or beef producer, we can look at the genomic prediction of an individual calf and decide before he or she is weaned off milk if we are going to use that animal for breeding the next generation of our herd.

The reliability of the information is lower in the smaller breeds, but with each genetic run more animals are added into the database and the genomic prediction gets more reliable. That is just the genomic impact, we also have management factors that are effecting our producer's decision making, like how much genderSELECTED semen to use, for how many services, which production groups, what are the breeding goals?

Our member-owner-customers also have greater opportunities for those undesired genetics that they do not want for the next generation. The dairy cattle are accounting for a higher percentage of cattle on feed. A dairy producer can breed the lower genetic value animals in his herd to a beef sire to add value to a calf that he does not want to raise for dairy purposes. This can yield a dairy producer greater economic advantages for that resulting offspring.

Effective reproduction is the core of what we do. We market genetics that offer our member-owner-customers the greatest potential to meet their reproductive and genetic goals. We also provide the most highly trained and knowledgeable staff to take advantage of the genetics offered. Our reproductive solutions professionals work with the member-owner-customers to troubleshoot, train and evaluate the on-farm reproductive programs. In addition, they work with our technician for force to provide the best service in the industry. We have over 50 full time technicians averaging just under 10,000 A.I. services per year. That number has grown significantly in the past decade.

Our staff is more involved in our member-owner-customers' reproductive programs, than ever before. They help record and update farm's computers, help generate herd check information and perform heat detection.

All of these services free up the time and people resources for our member-owner-customers.

Operating as a true cooperative, COBA returns patronage on a yearly basis. For the past 18 years we have returned an average of 8.6% patronage.

In 2015 we are returning 9.3% of all semen purchases to our member-owner-customers. Focusing on our core of semen and reproduction, COBA/Select Sires is striving to be the very best option for our member-owner-customers. Whether it is providing semen, service, herd management products, activity monitoring programs or access to top level experts in the industry; **our goal is to help our member-owner-customers be successful, however they measure success.** (Julie Ziegler, Marketing/Communications Coordinator - COBA/Select Sires)



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