

## **CLIENT NEEDS FROM SEEDSTOCK BREEDING PROGRAMS**

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### **SUMMARY**

Customers all over the world are developing far higher expectations about the products they buy and the post sale servicing they receive. They are becoming more demonstrative about product failure and more assertive in seeking guarantees.

In an industry which has had a cavalier attitude to bull failures, the modern seedstock producer is committed to the principles of "fitness for purpose". For an industry spoon fed on showing performance, this has involved a quiet revolution and an almighty change in culture.

The new culture has substituted Group Breedplan, industry trials, veterinary examinations and objective data for showing judges. Feeding and selling systems have changed. Bulls are being used at younger ages, bull guarantees are being written and the needs of clients are being addressed more enthusiastically than ever before.

**Keywords:** Seedstock, performance breeding, aftersales service, Poll Hereford bulls.

### **THE TRANSITION FROM "STUD" TO SEEDSTOCK BREEDER**

The Wirruna Poll Hereford stud was established in 1949 by Richard Locke's father. It was set along traditional lines with success being recognised by a large number of champion show ribbons. Richard took over the stud business in 1971 and became a foundation member of the National Beef Recording Scheme (NBRS) in 1972. He ceased showing soon after, concentrating instead on fertility, performance and grass based feeding systems.

In the early days of performance testing at Wirruna, Richard's grassfed (selected on performance) bulls were offered for sale alongside his fathers' grainfed bulls. Although the underlying genetics were equivalent, Aubrey Locke's bulls averaged 4 times more than Richard's bulls. The only difference being feed (environment) rather than the likely quality of progeny (genetic).

Richard recalled that "It was very hard to continue performance based selection on grass, when the bull buying clients did not understand the benefits that a performance bred bull can infuse into their herd." Wirruna recognised that if they were to travel along the lonely road of performance testing cattle, there was an underlying need to change the values of it's client base.

In turning his back on the showing and it's culture, the sacrifice made was publicity. Show winners make news. The relationship between traditional studs with large advertising budgets and the rural press is strong enough to guarantee editorial with every show and sale. By contrast

commercially focussed seedstock breeders on smaller advertising budgets had significantly less media clout. This was at least until the Seedstock Producer of the Year Competition came along to provide an alternative industry endorsement. Sadly, the competition failed to get off the ground in 1996, despite enormous effort, sponsorship was not forthcoming.

**Performance Plus Beef Breeders (PPBB).** Under the guidance of Dr Phil Holmes, Agricultural adviser with Holmes, Sackett & Associates, the formation of PPBB in 1990 was a large step forward for Wirruna adding strength through unity. This group consists of four progressive bull producers, of four different breeds, based on breeding performance tested cattle, managed under strict commercial conditions with a focus on client needs.

PPBB have established and adhere to a set of ethical standards on how bulls should be selected, screened and presented for sale. Collectively, the group hold various client and marketing days; group participants benefit from sharing ideas, group support & motivation and cost efficiencies such as with shared costs of advertising or use of specialised consultants.

In 1993, Wirruna like some other seedstock producers, embarked on an F1 bull program comprising 50% European breed & 50% Poll Hereford. Responding to client needs, the F1 bulls offered more growth and muscularity and the ability to infuse just 25% European genetics into their British breed herds without delaying maturity. The popularity of F1 bulls is a testament to the willingness of seedstock breeders to tailor genetics to suit client needs, rather than pursue traditional breed society loyalties.

#### A TOTAL APPROACH TO CLIENT SERVICES

**Table 1. Client services at Wirruna - Breeding & Management of Seedstock**

Features of Wirruna	Client Benefits
Well established and long history of selection	Confidence, predictable performance & less risk of disappointment
Set breeding objectives	Provides direction & focus
Managed under strict, commercial conditions	What you see is what you get!
Fed on grass	Increased longevity & decreased breakdowns
High use of breeding technology	Accelerate genetic progress
Objectively measured and Group Breedplan evaluated for growth milk and carcase merit	Easier selection of bull for a specific need and reduced client risk
Inherently quiet cattle	Safe to work with, thrive and ensure carcase quality
Use industry trials & competitions	Independent benchmarking of cattle

It is not enough for seedstock producers to focus primarily on providing animals of superior genetic merit. Seedstock businesses have had to develop breeding programs and quality assurance measures that give clients confidence that genetics are accurately described and will meet their requirements. The previous Table 1 exhibits the breeding and management features of the Wirruna program and the associated benefits to clients. Table 2 shows the features and benefits associated with how Wirruna Stock are presented for sale.

**Table 2. Client services at Wirruna - Presentation of Sale Stock**

Features of Wirruna	Client Benefits
Full independent, evaluation for breeding soundness, including service capacity testing	Buyer confidence, cost/calf & fertility benefits
Full independent structural soundness evaluation	Inherent longevity & less wastage through breakdown
Comprehensive sale catalogue with objective growth, carcase and fertility information	Designed to take guesswork out of bull selection
Private treaty sale (Autumn & Spring)	Allows assessment of clients true requirements through personal communication
Payment & freight terms	Delayed or instalment payment terms can add flexibility - payment & arrangement of freight
A unique bull guarantee	Covers risks of faulty bull, including failed pregnancies

**Table 3. Client services at Wirruna - After sales service**

Features of Wirruna	Client Benefits
Advice	Cattle selection, technical, management and marketing assistance.
Client visits (& prospective client)	Includes herd evaluation, advice, setting breeding & market objectives and examination of bulls
Problem solving	eg. calving dystocia, heifer management, emergency bull replacement (should breakdown occur during joining)
Telephone contact and follow-up	Involvement and accessible to clients. Contact at critical times, joining, pregnancy testing and calving. Provide follow-up EBV's and conduct client surveys.
Educational field days	Cattle marketing seminars, bull selection & information days, bus trips to abattoirs & feedlots, etc.

Commercial cattlemen are responding to improved levels of after sales client services from their bull producer. At Wirruna, we aim to nurture on-going client relationships based on ethical breeding of quality cattle that we not only *present*, but *represent*. Our relationship continues after the point of sale where we keep in contact with the client about the performance of our product and to offer assistance in their herd management or marketing. If and when a client experiences a problem with a Wirruna bull, all efforts are made to remedy the problem. It is far easier to retain a client than to source a new one! Good client service is good marketing and good business.

#### **A CLIENT FRIENDLY SELLING SYSTEM**

An alternative to the traditional stud auctions is the *Helmsman* selling system. The design arose out of concerns that the traditional auction system served the needs of agents and vendors well but neglected the needs of bull buyers, "the customers". *Helmsman* is a simultaneous auction system where all lots are sold during the same time period. This enabled buyers to move freely between one lot and another depending on what they could afford. Should the vendor wish to set reserves, they are displayed and known by clients before the sale starts. Traditional auction systems advise buyers of reserves after the bidding has stopped. In traditional auction arenas, cattle buyers are subjected to considerable pressure and stress. Auctioneers are masters of coercion. Comparatively, the *Helmsman* system better meets the needs of the customer and still creates an environment of competition for the vendor.

The further alternative selling system is *Private Treaty* where prices are established by the vendor. Wirruna sell their bulls by *Private Treaty* where the 'one to one' contact with the client allows a true assessment of their needs. The weaknesses of *Private Treaty* to the alternative systems is the protracted sale period and lack of scope for higher prices through competition. Similarly, the 'first in best dressed' nature of *Private Treaty* results in clients being unable to compete for all sale stock.

#### **SERVICES NEEDED IN THE SEEDSTOCK INDUSTRY**

**Benchmarking & feedback.** The Seedstock Producer of the Year Competition, weight gain trials, feedlot & chiller assessment trials are all methods to benchmark seedstock genetics. Along with feedback gained throughout the beef chain, these are valuable market signals to breeders on preferred genetics. There remains a void of feedback systems in the beef chain, particularly with the saleyard auction system. Nevertheless, the emergence of various niche beef markets and boxed beef marketing has seen the improvement in many feedback systems.

**FUTURE CHALLENGES FOR THE SEEDSTOCK INDUSTRY**

The challenges for the seedstock industry are as follows:

- **Balancing** meat quality factors (eg. marbling, tenderness) with carcase yield.
- **Determining** optimum mature cow size for clients herds.
- **Identifying** genetics with high net feed conversion efficiency.
- **Merging** seedstock production with consumer driven requirements (particularly eating quality).
- **Developing** affordable quality assurance and management systems for all sectors of the industry.