

**Partnering for Success**  
***Breed association hopes to drive demand for seedstock***  
**By Clifford Mitchell**

Creating demand and customer service have been two things the beef industry, in general, has struggled with over the last three decades. Producers in every segment of the industry rely on different customer service programs to help build demand. Traditionally, most of these programs have been sponsored by large independent firms with the financial resources to help customers realize greater profits.

The American Gelbvieh Association (AGA), making another bold statement to the beef business just as it did when it documented and trademarked the first hybrid cattle, has created Gelbvieh Profit Partners, LLC. According to AGA Executive Director Wayne Vanderwert, this company will operate as a separate for-profit entity, and will be an extension of the SmartCross program.

“Customer service will separate the men from the boys in the beef business. In the future, it will be all about what you can do for your bull customers,” says Vanderwert, Profit Partners, LLC Chief Executive Officer and Chief Financial Officer.

This move solidifies the AGA’s commitment to add value to Gelbvieh genetics. It will also allow the program to reap the benefits built in to the SmartCross crossbreeding system. Designed to create demand for Gelbvieh-cross cattle, this innovative approach will allow all users, both large and small, of its genetics the opportunity to increase profit.

“Rather than limiting the customer to where they can buy bulls or to a certain number of calves available for purchase, Profit Partners, LLC, is like a notional feeder calf program,” Vanderwert says. “It’s Gelbvieh’s answer to Certified Angus Beef. We hope to create demand for seedstock by increasing value in Gelbvieh influence calves.”

In addition to being the only breed association to trademark the Balancer hybrid, the AGA was also a leader in developing an alliance with one of the major packers. The Gelbvieh Alliance was a grid with ConAgra that provided incentives for Continental cross cattle. Profit Partners, LLC will replace the grid, which somewhat limited producers, with a new dynamic approach.

“This replaces the current Gelbvieh grid and approaches marketing cattle from a national scope. Profit Partners, LLC can assist customers in any market situation. We’re not tied to any feedyard or any specific agreement. We offer multiple market opportunities,” says Bryan Weech, Chief Operating Officer, Gelbvieh Profit Partners, LLC.

Commercial producers capitalizing on the brand recognition created by the SmartCross tags will be primary customers of the new program. The multiple market philosophy allows for some flexibility current market situations may not offer cattlemen who put financial security on the line every time they make a market decision.

“Since we are not tied to any specific grid, we can rely on the feedyard staff’s knowledge to help market these calves,” Weech says. “We can create unique partnership opportunities for our customers. More importantly we can be in or out of the market at any time, which allows us to take advantage of the profit opportunities the market provides on a daily basis.”

Retained ownership will sometimes create profit opportunities depending on the market. However, most cattlemen are a little apprehensive when it comes to partnering on genetics through the harvest stage. Profit Partners, LLC is also in the education business, and will help with critical marketing decisions that could affect profit potential.

“Profit Partners can help each commercial cow/calf man utilize risk management,” Weech says. “With market volatility, particularly in the last 24 months, risk management becomes very important to beef management. Our customers can retain ownership and automatically get a level of risk management. We just want to help eliminate some their work load with professional advice.”

Partnering with producers, in this manner, on Gelbvieh-cross calves will allow the American Gelbvieh Association to grow and improve its database. The information gathered via Profit Partners should benefit the whole membership.

“This venture provides an excellent opportunity for benchmark data which compare Gelbvieh genetics against other Continentals,” Vanderwert says. “Through research, we will also gather information that will help breed improvement efforts.”

Changes in the beef industry and recent BSE scares also pull this program to the forefront of the industry. Not only is the American Gelbvieh Association putting its best foot forward to help users of Gelbvieh genetics take the next step with its SmartCross program, but Profit Partners also allows customers to take advantage of its built-in specifications that are consumer friendly.

“If you look into the crystal ball, the beef industry is going to demand a source-verified product,” Vanderwert says. “Profit Partners provides a vehicle to help commercial cattlemen accomplish this.”

Profit Partners should provide a security blanket for commercial and seedstock producers alike. In an industry where “status quo” is extremely out of fashion, the Gelbvieh breed hopes to create a shopping spree for its genetics.

“Profit Partners allows producers to take advantage of profit opportunities we help create,” Vanderwert says. “We are going to go into the marketplace and find opportunities to make money with Gelbvieh-cross genetics.”

*\*SmartCross is a trademark of the American Gelbvieh Association.*