

**Circle A
Angus Ranch**

41 Hwy K
Iberia, MO 65486



Return Service Requested

1-800-CIRCLE A

www.circlearanch.com

Please Join Us:
for our 17th Annual

March 19, 2011

**Spring Bull &
Heifer Sale**

Selling:

280 Black Angus Bulls

Stout, slow-grown, coming two's

**Also Selling:
450 Fall-calving
Premium Heifers**

**Fetal Sex & due date
by ultrasound**

Someone You Should Know



The Brockmeier's have built an impressive farming operation near Carrollton, MO in a short amount of time by agricultural standards. Joe's father was a local merchant, land and cattle owner, but it was Joe who really expanded into production agriculture.

Today, Joe and his son Michael operate a sizable grain-crop operation along with running about 200 cows. They began buying bulls from Circle A in the mid 1990's and have turned their predominantly Charolais-cross cowherd into one that is nearly solid black. Circle A Angus genetics have allowed them to reduce the size of their cows about 200 pounds without sacrificing calf marketing weight. They have also gone from checking heifers every three hours at night and pulling a significant percentage, to assisting one heifer in the last three years.

The Brockmeiers like that they can put their grains to use by feeding their calves and not get docked for having them "fleshy". This December Joe and Michael sold us a heavy group of Spring-born calves that averaged 847 pounds and returned a CAF record \$1040 per head with premiums. Many of these calves were out of Circle A females they purchased as pairs in our special sale at Joplin last May. Of the 20 pairs they purchased, 15 weaned calves over 750 pounds.

The Brockmeiers are a prime example of what combining Circle A genetics with good management practices can yield. Their calves are heavy, and healthy and go on to gain well and grade over 90% Choice. Circle A Feeders is happy to pay good money for good cattle and happy to have customers like the Brockmeiers.

**Circle A
Angus Ranch**

**PARTNERS
FOR PROFIT**



Winter 2011

Innovation Breeds Opportunity

If any one word sums up what Circle A has been about over the last 20 years, it's "Innovation". There are certainly many beef seedstock operations in the U.S. representing multiple breeds who are masters at the art of breeding. But, for the last 20 years the use of artificial insemination (AI) and embryo transfer (ET) has narrowed any real genetic differences among high-end breeders. While other breeders continue to argue over who claims the top bull or wins the show, Circle A has continued to create, develop and innovate in the areas of genetic improvement and customer service to a level that most other seedstock breeders simply cannot comprehend.

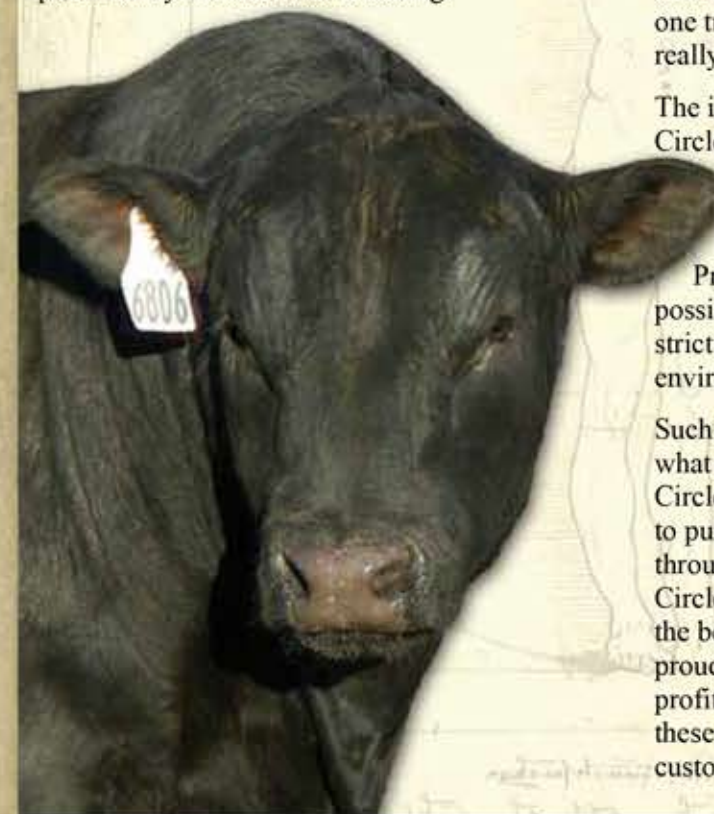
The founding of the Angus Sire Alliance in 1996 was a major milestone in beef cattle progeny testing for profitability. While many Angus breeders jumped on the bandwagon it soon became evident that most were involved for the marketing opportunities rather than genetic progress. Fifteen years later, Circle A and ABS Global continue to test Angus cattle for profitability in a real-world setting.

The next major innovation by Circle A came in 1998 with the investment in a feed intake research facility. Over a decade later, approximately 20 individual breeders operate feed intake measurement devices in the U.S. Circle A has a decade head start in feed intake data collection, and genetic improvement. Circle A is one of the few ranches in the U.S. with a large enough database to calculate their own in-herd EPDs. Circle A was among the first to begin calculating heifer pregnancy, cow stayability, tenderness, feed intake and average daily gain EPDS in the Angus breed.

Circle A's greatest innovation has been the creation and usage of the beef industry's most accurate profitability-based genetic selection index. By applying the same methodologies that have dramatically increased genetic improvement and profitability for the poultry and swine industries, Circle A has managed to reduce input costs and increase returns in our cowherd and pass those same genetics on to our customers. By using this multi-trait improvement technique, Circle A may never be the absolute best at any one trait, with the exception for the only trait that really matters, profit.

The innovations of the Angus Sire Alliance, the Circle A database, exclusive EPDs and the profitability index have led to many opportunities for Circle A and their customers. The development of the Circle A Premium Bull (CAPB) would have never been possible without extensive data collection and strict selection for profitability in a real-world environment.

Such objective and measured improvement is what provides the fortitude and confidence for Circle A to construct their own feedyard and offer to purchase calves out of any bull or female sold through their sale ring for substantial premiums. Circle A is extremely proud of their reputation in the beef industry as a leader and innovator and proud to continue in their tradition of improved profitability. Circle A is also pleased to pass on these advancements in profitability to their customers through their genetics and services.



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Sale Dates

- March 19, 2011
Spring Bull & Heifer Sale
Iberia, MO
- October 15, 2011
Fall Bull & Heifer Sale
Iberia, MO

Tradeshaw Dates

- January 21-22 2011
MO Vet. Med. Assn.
Lake Ozark, MO
- September 15, 2011
UMC Beef Field Day
Columbia, MO
- October 7-9, 2011
Farm Fest
Springfield, MO
- December 2-3, 2011
MO Livestock Symp.
Kirksville, MO
- December 16-17, 2011
MO Cattlemen's Conv.
Columbia, MO

AN UNPARALLELED COMMITMENT

TO INCREASING THE QUALITY OF CATTLE THROUGH THE USE OF PROFITABLE GENETICS



Circle A Feeders News

The Necessity of Change

Change is never easy, but change is an inevitable part of life and business. We have been extremely reluctant to make any changes in our pricing structure at Circle A Feeders. However, our data and new marketing arrangements handed down to us by our packer, dictate a change must happen. This will not affect many of our producing partners at all, some very little and a few to a reasonable degree.

Circle A is willing to operate the buy-back program at break-even levels as a service to our bull and female customers. A \$45 per head premium is a good goal for finished cattle and an unparalleled premium offered on calves. After nearly 4 years in operation it's obvious there is a small, but specific subset of calves that make it difficult for the program to remain viable.

In December we were informed of changes in the threshold for Choice premiums and discounts by our packer. This grid has been the most profitable grid we have identified enabling us to pay the premiums we offer our customers. Achieving not only Choice, but CAB and Prime is our goal for every calf. Traditionally, "Top of the Market" has been driven by a black calf with the opportunity to receive CAB premiums. Calves which are not at least 51% black-hided do not qualify for the CAB premium and our data indicates they grade about 50% Choice compared to our black-hided calves grading over 90% Choice.

The solution has been a process for Circle A Management, we have ranged from stop purchasing non-black-hided immediately, to enacting a \$5/cwt discount starting July 1, 2011, to our final solution of discontinuing the purchase of calves not eligible to meet CAB specifications beginning July 1, 2012.

Beginning July 1, 2012 Circle A will only accept calves that visually qualify for the Certified Angus Beef premium and are at least 51% black-hided.

Allowing this 18 month window for the change, rather than enacting it immediately, provides a fair planning period to make any necessary management or marketing changes. This window also prolongs the period in which you have to take advantage of the program as it exists today. With the current pricing structure, non-black-hided calves receive a minimum of \$5/cwt advantage on the base price by coming to Circle A Feeders. They also receive a \$25 per head premium for being sired by Circle A bulls, a \$10 per head premium for being age and source verified and pay no commission; another \$20 per head benefit. That is an \$85 per head advantage on a 600 weight calf over traditional marketing avenues. If you market 60 non-black-hided calves at Circle A Feeders over the next 18 months; you stand to make a minimum of \$5100 in added revenue.

For those who wish to utilize this 18 month window of opportunity to assure their herds are completely compliant with the

Circle A program without sorting off non-compliant calves, we have several opportunities. Between now and July 1, 2012, Circle A will market nearly 1500 bred heifers. We also annually offer approximately 500 open, replacement-quality females for sale private treaty. These females have calved for us annually, but have fallen out given our short breeding season. We diligently cull any with blemishes or known problems. We have many customers who have built their entire herds on these females which are in strong demand from repeat buyers.

In today's market, replacing cows that produce non-compliant calves beginning on July 1, 2012 is not only feasible, it proves to be the best choice when you put a pencil to it. With the current market's elevated value for females and high return on calves, the timing has never been better to upgrade your cowherd. The table below examines the increased revenue of replacing a non-compliant cow with a Circle A female based on marketing a 750 pound calf annually at auction versus selling to Circle A Feeders.

	Non-Compliant Cow	Circle A Female
Base value diff. (\$5/cwt)	\$0	\$38
Circle A Sire Premium	\$0	\$25
Circle A Female Premium	\$0	\$10
Circle A Age & Source	\$0	\$10
Commission diff. (3%)	\$0	\$30
Annual Calf Value Diff.	\$0	+\$113
Lifetime Revenue (7 yrs)	\$0	+\$791

With an annual advantage of \$113 and a lifetime advantage of \$791, achieving compliance by the July 1, 2012 deadline proves to be a realistic and profitable goal. Additionally, Circle A females come with a host of intangible and invaluable genetic benefits you'll only get by purchasing females from Circle A. You get a cowherd selected for real-world profitability based on objective EPDs and the most accurate profitability index in the beef industry. These females have over a decade of selection for reduced feed intake, increased average daily gain, heifer pregnancy, cow stayability and outstanding carcass performance. In addition, these cows have been bred and selected to be trouble free, ran hard at 500 cows per man on fescue grass and designed to thrive in our customers' environments.

We do appreciate our customers' investment in Circle A Genetics and their commitment to the Circle A Feeders program. It's our hope that the ample lead time, extended profit recovery period and viable alternative options make the change as palatable as possible. By working together we will continue in our mission of producing high quality beef and improving profits for everyone.

Don't Miss it!

View the sale and bid live online at:

LiveAuctionsTV

You may also contact Nick at 573-280-5308 prior to sale day for buying assistance. Or, be on a live conference call during the sale.

Simply call: 888-422-7128

Enter participant code: 329582

Fall Bull & Heifer Sale Report

Circle A Angus Ranch, was proud to host their largest ever Fall Bull & Heifer sale, October 16th, with 544 head sold. It was once again a full house with potential buyers excited about the opportunity to become part of the Circle A Feeders buy-back program by bidding on the 139 bulls, and 405 bred heifers.

139 bulls averaged \$3248 with the high selling bull going for \$7750. Lot 13, Circle A Foresight S103 9032 was an extremely stout bull with great numbers and the son of Circle A's own Woodhill Foresight 285M-S103. Lot 13 sold to John Sessions of Evergreen, AL. The second high selling bull was lot 21, Circle A In Focus 9156 a Mytty In Focus son who scanned a 7.9% IMF. Lot 21 sold to Tom Roberts of West Plains, MO for \$6750. Bill Kyser of Greenboro, AL was the high volume bull buyer taking home 7 bulls. 30 bulls sold for \$4,000 or more, and 39 sold for \$2,500 or less.

The bred heifers, sold in lots of five head ultrasounded to calve within ten days of one another and fetal sexed, averaged \$1456 per head. Jeff Gower, buying for Vera Fischer, was the high volume buyer taking 112 head to Gainesville, MO. The Wolken Brothers of Jefferson City, who took home 100 heifers in the last sale, took home 95 in this sale. Three other buyers took home 20 or more.

The optimism concerning the future of the cow/calf business was apparent at Circle A's sale. The forecasts for future calf prices look great over the next few years and buyers were stocking up to hit the good market. Circle A attributes their success to good genetics, good service and an industry leading calf buy-back program. The next opportunity to purchase Circle A genetics will be on March 19th offering 280 bulls and 450 fall-calving, bred heifers.



Inputs too high? We can help.



Why choose Circle A genetics?

- Conducting individual feed efficiency research since 1998.
- Exclusive EPDs for feed intake, average daily gain, tenderness, stayability and heifer pregnancy.
- The most generous calf buy-back program in the industry—Top of the market plus up to \$45/head premium. Guaranteed.
- No other breeder has done more testing to measure and improve profitability.
- Ninety day breeding soundness guarantee.
- Sight-unseen guarantee. If you don't like them, you don't own them.
- Free bull delivery anywhere in the continental United States with the purchase of two or more.
- \$50 discount on bulls you pick up.

Bring your trailer!

Pick up your bulls on sale day and save \$50 per head when you buy two or more bulls.