

# DROUGHTMASTER MARKETING

Volume 10

## The Roles and Responsibilities of Seedstock Producers

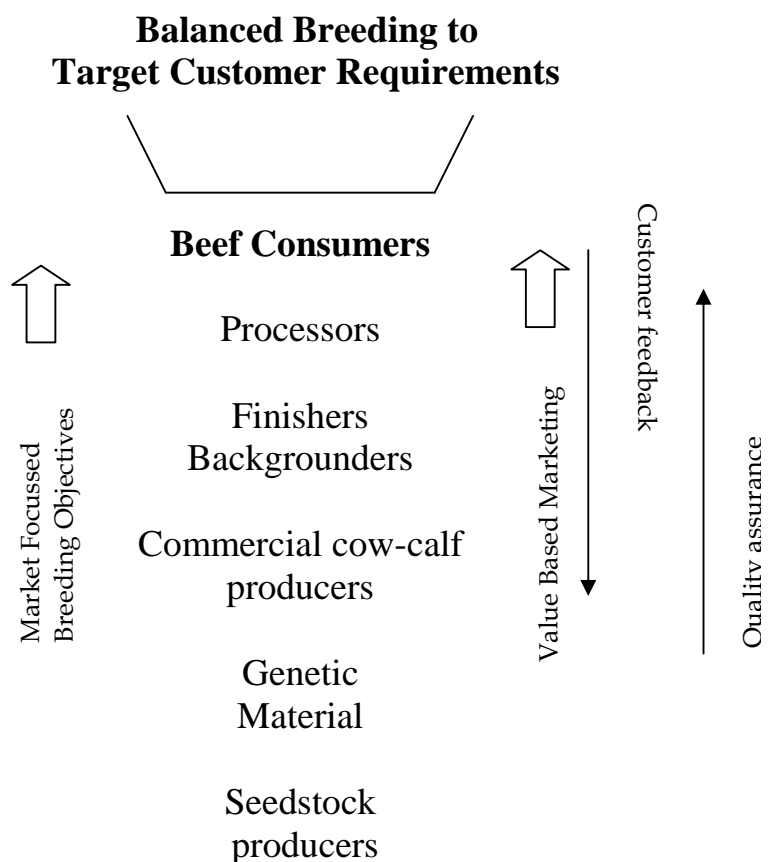
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The key role of a modern seedstock producer is to multiply superior genetic material and supply this genetic material to meet the demands of the commercial beef industry.

In recent years there has been an increased focus in the beef industry on end-product quality and consistency. Seedstock producers have the challenge to provide genetic material that results in improved end-product performance whilst still maintaining high levels of on-farm productivity (via structural soundness, fertility, maternal performance, calving ease etc.) This can only be achieved by the careful implementation of balanced multi-train breeding programmes. To fulfil their role successfully, seedstock producers must maintain a good understanding the needs of the commercial sector such that they can rapidly respond to changes in the nature of the genetic material required by their customers.

While supplying genetics to the commercial beef industry is seen by many seedstock producers as their key role, others are simply involved as a social activity, hobby or as a continued family tradition. Even under these circumstances seedstock production can be a relevant and profitable enterprise.

The diagram shown opposite illustrates where seedstock producers fit in the structure of the beef industry. Ideally, seedstock producers should have clear market focused breeding objectives and be rewarded in accordance with the extra value provided to their customers further along the supply chain. Unfortunately market signals are often distorted in the competitive open market and prices paid for individual animals can sometimes bear little relationship to their true genetic merit. Through the provision of better product description (eg Ebbs) and involvement in industry alliance programmes seedstock producers can improve their chances of achieving fair financial reward for providing superior genetic material. In return, producers in the commercial sector expect a high degree of quality assurance and integrity from their seedstock providers.



## **Become a 'Full Service Genetic Provider'.**

Through the use of modern artificial breeding technologies all seedstock breeders potentially have access to the same global genetic pool. In addition, all breeders can potentially access the same advanced tools for genetic evaluation and for describing their product (eg GROUP BREEDPLAN). Under these circumstances it is a major challenge for any individual seedstock producer to obtain a competitive edge.

One way of achieving a competitive edge is to provide superior overall service to your customers than that provided by your competitors. A Full Service Genetic Provider is "...a seedstock producer who fully understands their customers requirements and supplies the appropriate genetic material to match these requirements" (Professor Ronnie Green. Colorado State University).

## **Understand your Customers' Perceptions**

How well you know your customers and their requirements will ultimately determine how successful you are as a seedstock provider. Consequently, it is important to acquaint yourself with your customers so that you can offer them more value and serve them more profitably than anyone else. It is also important to become acquainted with non-customers who buy seedstock from your competitors. Ask them pointed questions to determine how they make their purchase decisions. When you understand how they make their choices you have a better shot at getting their business in the future.

Remember the marketer's motto: customer perceptions are the market reality. In other words, customers will base their purchase decisions on what they perceive to be true, not necessarily on what you know to be the facts. Ideally, these perceptions will lead to a decision making process which results in the purchase of your seedstock rather than that of your competitors.

Many variables influence your customers as they evaluate their choices - not only their perception of the quality of your seedstock, but also how they view you as an individual and a breeder. Their decision whether to purchase from you rather than from a competitor will be influenced by your reputation in the industry and the effectiveness of your advertising and promotion programme.

Unfortunately, many seedstock producers are viewed by the commercial sector as being irrelevant, dishonest, unaware of commercial pressures and lacking in after sales service. For example, some seedstock producers are simply seen as hobby farmers with little real impact in the commercial industry. Others are perceived to be only interested in today's sale, offering little follow up service or real interest in how their bulls perform - at least, until they are chasing someone to buy next year's bulls. The perception that many seedstock breeders run over-fat cattle that are rarely subjected to commercial pressures is a real problem. Many commercial breeders want to buy bulls from seedstock providers who run their cattle under commercial conditions, who don't pull calves, and who cull cows if they do not go in calf, no matter how much they are worth.

Fortunately, there are also large numbers of seedstock breeders, who are well respected by their commercial clients. They are seen as knowing how the commercial industry works and are breeding high quality seedstock under commercial conditions.

## **Your Responsibilities as a Seedstock Producer.**

In summary, the responsibilities of seedstock breeders include the following:

- a. Honesty and integrity. A reputation for honesty and high integrity is the most important attribute for a long-term involvement in the seedstock industry. It is important to record information accurately. Don't guess or make false claims about the performance of your animals.
- b. After-sales service. If you want to stay in business, look after your customers. Follow up on the performance of your cattle and monitor the degree of satisfaction of your customers. Provide a fair guarantee of the fertility and soundness of your product. Decide how you are going to handle bull breakdowns - if you are in business long enough, you will get some. Complete the paperwork to transfer the animal with your Breed Society to its new owner.
- c. Provide accurate product description. This includes both pedigree and performance information (eg. EBVs) Take the time to understand how GROUP BREEDPLAN works and be prepared to explain to your customers how to interpret EBVs, accuracies etc.
- d. Quality Assurance. Use an outside person to assist with animal assessment. Cull animals with unacceptable structure or fertility. Don't try to pass them on to someone else. If they are not good enough for you to use, they should not be presented to your clients.

Essentially, as a seedstock producer you are providing your customers with a "promise" regarding the quality of your product. Unless your customers are satisfied that this "promise" is kept (i.e. via subsequent progeny performance) you are not likely to obtain their repeat business. In addition, your customers will expect that your "promise" will include a guarantee of the soundness and fertility of your seedstock.