

LEADER



A LOOK INSIDE...

**20 Questions Land Buyers
Should Ask**

**McCains' Aspirations Taking
Flight – Bluegrass Upland
Hunts, LLC.**

**Beef Herd Genetics – Are Your
Cows Capable of Doing What
You're Asking Them?**

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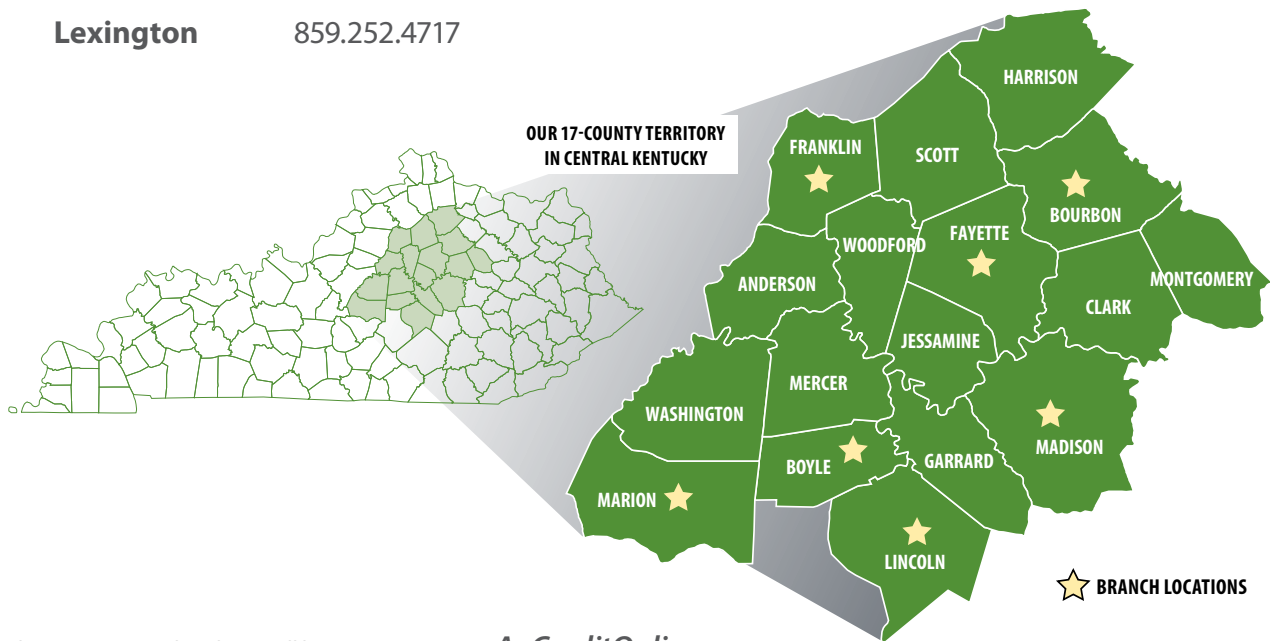
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Danville	859.236.6570
Frankfort	502.875.0863
Lebanon	270.692.4411
Lexington	859.252.4717

Paris	859.987.4344
Richmond	859.623.1624
Stanford	606.365.7500



AgCreditOnline.com

*According to consumer legislation, all loans subject to consumer RESPA requirements do not allow for the merchandise certificates.

LEADER

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FINANCIAL INFORMATION

The Farm Credit Administration does not require the association to distribute its quarterly financial reports to stockholders. Copies of the association's annual and quarterly reports are available upon request free of charge by calling 859.253.3249 or writing to Marcus Barnett, Chief Financial Officer, Central Kentucky Ag Credit, PO Box 1290 Lexington, KY 40588, or at AgCreditOnline.com.

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JIM CALDWELL, PRESIDENT AND CEO

“
So we see our market
has changed, but the
overarching goals of
farmers remain the same.
”

OUR MARKET, OUR METHOD, OUR MISSION

BY: JIM CALDWELL, PRESIDENT AND CHIEF EXECUTIVE OFFICER

“The more things change, the more they stay the same.” So true and applicable in so many respects. This familiar quote is attributed to 19th century French novelist Jean-Baptiste Alphonse Karr and remains true and applicable to this day. As we review the 2019 results for Central Kentucky Ag Credit, I encourage you to think about how much things have changed in the past few years, and in doing so, to also reflect on the constants. For our organization, this boils down to the consideration of Our Market, Our Method and Our Mission.

The quickest way to define our market is geographically - the 17-county area in the Bluegrass Region of Kentucky. However, it goes beyond simple geography and listing the counties surrounding Lexington. Our market is a collection of the people and entities engaged in the business of agriculture and in making a home for their families in the Kentucky countryside. In this respect, the market is ever changing and evolving. Not so long ago, agriculture in our region was dominated by burley tobacco production. Lexington was touted as the largest burley market in the world as nearly everyone associated with farming had some type of connection to the crop. Today, tobacco is still an important part of our diversified agricultural mix, but its dominance

in the area has past. Beef cattle now seems to claim the leadership mantle for a Bluegrass Region with plentiful rainfall, rolling hillsides and grass. But even that characterization is too simple as equine and row-crop production are also a large component. Furthermore, an ever-growing segment of producers is engaged in the production of local food supplies, which are distributed through farmers markets and other non-traditional outlets.

So we see our market has changed, but the overarching goals of farmers remain the same. The commodity mix is different, but those age-old challenges associated with agriculture still loom on the horizon — weather, price volatility, commodity cycles, and consumer preferences to name a few. Yes, the market in Central Kentucky is different today and will continue to change, but the need for a strong and reliable financial partner to help achieve those goals and meet those challenges is still there.

The method of delivery of our products is an easy place to observe change. Like every aspect of our society, technology has been a disruptive force and will continue to be into the foreseeable future. The pace of growth in technology is fast and the digital world we live in is complex. Today, our focus for delivering our products and services centers on



keeping up with customer demands for technology solutions that meet their needs. But it goes well beyond using technology to process accounts and underwrite loans. We are constantly looking for ways to improve communications with our customers and publics. In doing so, we have gained efficiencies we couldn't even imagine just a few decades ago. Year after year, our Association has continued to grow, but we have been able to maintain operating costs and staff levels because of the efficiency gained from leveraging technology.

We no longer use three-part carbon paper for loan applications or a typewriter to prepare promissory notes. But sound financial analysis still occurs, and the documents still need to be prepared. The core functions of our business are unchanged as we seek to make the best decisions possible for our borrowers and our lending cooperative. These basic functions are still critical to our success. The methods

we use to accomplish them may have changed, but these basic functions are still critical to our success.

Which brings us to the mission of our Association, where it all comes together. Changes in our market and our method are many and obvious. In just a few paragraphs above, we have only scratched the surface outlining some of the aspects of change we have seen in recent years: "The more things change..." But in spite of all the change we have seen, Central Kentucky Ag Credit exists today to serve farmers and rural homeowners, just like we did when we were organized in 1934 as part of the nationwide Farm Credit System. It's a System with a clear mission: To support rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow. "...the more they stay the same."

James W. Caldwell

“

... in spite of all the change we have seen, Central Kentucky Ag Credit exists today to serve farmers and rural homeowners, just like we did when we were organized in 1934 as part of the nationwide Farm Credit System.

”

INSURANCE PROTECTION AGAINST LOSS IS GOOD BUSINESS

Central Kentucky Agricultural Credit Association loan agreements stipulate that borrowers obtain and maintain insurance on property that is pledged as security for loans, with the Association named as mortgagee or loss payee.

This notice is a reminder that the minimum amount of coverage required to be maintained is the lesser of your loan balances, the actual cash value of the property, the replacement cost of the property or the amount stipulated by your loan officer. Since the amount required could be less than the value of the property is insured, you are encouraged to consider higher limits where applicable to adequately protect your equity interest in the property.

If the property securing your loan consists of improved real estate, unless otherwise advised, at a minimum your policy must insure against the following perils: fire and lightning, wind, hail, aircraft or vehicle damage, riot or civil commotion, explosion, smoke damage, water damage (other than flood), falling objects, weight of snow, ice or sleet and vandalism. Loss of damage from flooding is also required if your loan was made after Oct. 4, 1996, and at the time the loan was made the property was located in a government mandated Special Flood Hazard Area and flood insurance was available.



FLORENCE JOINS PARIS OFFICE

Kelly Florence recently joined Central Kentucky Ag Credit as a loan assistant in the Paris branch. Prior to assuming her duties with Ag Credit, Kelly was a loan assistant with Traditional Bank in Lexington for seven years.

Kelly grew up on her family's horse-boarding operation in Paris. Kelly started competitively swimming at age 6 and won

several state competitions throughout her swimming career. In fact, she still holds several records at the Bourbon County YMCA. Kelly previously coached swimming teams at the YMCA in Paris.

Kelly has been a resident of Paris her whole life and is a graduate of Bourbon County High School. Kelly and her husband, Steven, have two children, Palmer and Conway.



INFORMATION SECURITY

BY: GRACE GAYHEART AND BEN ROBIN

In the next five years, 146 billion personal records will be exposed by data breaches. Juniper Research's Cybercrime & the Internet of Threats 2018 estimated that number based on actual breaches not just those that are reported.

Personal records and information isn't just stored electronic data. It can also refer to sensitive financial documents like tax returns or paystubs all the way down to your address and phone numbers. Information security is the process of protecting that information from unauthorized access and corruption.

Is your information safe?

Central Kentucky Ag Credit is continually striving to ensure personal information and data is secure. By leveraging technology offerings provided from our funding bank, AgFirst Farm Credit Bank, we are able to bring state-of-the-art data and security measures from the market to the Association to protect sensitive information.

What are we doing?

In addition to leveraging technology from AgFirst Farm Credit Bank, we have also developed a comprehensive plan to help keep information secure. We routinely provide security testing to look for potential weaknesses and offer security awareness training to each employee on a quarterly basis. We also recently developed a full-scale physical security plan for each of our branch locations.

What else?

While IT departments are usually first to come to mind when discussing data security, there are actually

multiple other aspects that are just as important; including you. Here are a few easy steps to help boost your information security:

1. Update your personal devices regularly – Regular updates ensure that patches for vulnerabilities are installed quickly.
2. Two-factor authentication is best – Two-factor authentication relies on more than just a password when accessing apps or sites containing your personal information.
3. Keep your passwords safe – Never write down your passwords, and ensure they are complex and unique. They should contain a series of both uppercase and lowercase letters, as well as symbols.
4. Avoid phishing emails – If you do not recognize an email address, be wary! Do not click on embedded links, open files or download software.



Grace Gayheart,
Associate Business
Analyst



Ben Robin,
Information Systems
Specialist



20 QUESTIONS LAND BUYERS SHOULD ASK

BY: PAUL WYLER

When purchasing land there are many things to consider. Based on our experience with land transactions, here are the top 20 things buyers need to keep in mind.

1. How long has the property been on the market and why is it for sale?

If it has been on the market for a long time, you might have a negotiating edge. Ask the real estate agent or use a website to learn this information. (Zillow, Realtor.com, MLS.com, etc.)

2. Are there any deed restrictions or covenants that apply to the property?

Deed restrictions, often called restrictive covenants, limit how a property can be used and what can be built on it. These restrictions are in addition to local zoning requirements.

3. Are any of the improvements reserved from the sale? (gates, fences, out buildings, etc.)

People have a different understanding of what is attached to the land and included in a transaction. It is best to spell it out in purchase contracts to leave no doubt.

4. Is there information available for this property on a web site or listing sheet?

Look for soil maps, aerial photos, list of improvements with photos, etc.

5. What are the annual taxes, insurance costs?

These costs vary widely between communities and directly affect the cost of ownership.

6. How is the property zoned?

Zoning issues can affect the present and future uses of a property. You should also ask if there are any potential zoning changes in the near future.

7. Are there any plans to change the use of adjoining property?

A peaceful rural setting can change overnight with an unexpected development next door.

8. Who are the neighbors surrounding the property?

Some neighbors come with issues you might want to avoid. Don't enter a situation that you might later regret. In some states, sellers are required to disclose neighborhood noise problems or other nuisances.

9. Is clear title available for the property or can title insurance be obtained?

Clear title means that the property has no liens or encumbrances. Title insurance will protect against loss due to defects in the title.

10. Do the mineral rights and timber convey with the property?

Minerals can refer to oil, gas, coal, ores, stones, sands, or salts. Timber can also be separated from the land where a firm pays for the right to harvest timber from a parcel.



11. Are hunting rights reserved on the property?

A hunting lease gives access to an individual or a group for hunting and/or recreational rights. This is becoming more popular in our area but has been around for a while.

12. How is the property accessed? (Road frontage, deeded easement, right of way, etc.)

Is access available directly from a public road, or is it necessary to travel across a pass way? The amount of road frontage can have a significant affect on value and uses of the property.

13. Are there any easements on the property? (ajoining owners, conservation, utility easements)

Easements to other individuals or entities can limit what can be done with a property.

14. What utilities are available to the property?

There is a difference between utilities being “in the area” as opposed to “on the property.” The cost of making utilities available to a property can be expensive, with a lot of the cost shouldered by the property owner.

15. Has the property been surveyed?

Many times assumptions are made as to where the boundaries are located and the actual acreage of a property only to find out later that the information was wrong. A survey can eliminate these issues up front.

16. Are there any environmental concerns with the property?

Environmental clean up is the responsibility of the present land owner regardless of who might have caused these issues in the past. You don’t want to buy someone else’s problems.

17. Does the land drain well and are there any flooding issues?

Soil type affects the ability of the land to support a septic system. A soil percolation test (perc test) determines the drainage of the soil and is required by most county health departments.

18. Is the property desirable to other buyers if it had to be sold again within one year?

Life happens, and situations can change when you least expect it. The more desirable a property is the more likely you can get your investment back should something occur shortly after your purchase.

19. What school district serves this area?

This applies more to housing and should be a consideration even if you don’t have school-age kids. Again, think about what the next owner might want.

20. Is there a home inspection available for the dwelling?

Home inspections are generally not required by lenders but can be helpful to the buyer. Home inspections go into much more detail investigation of a property than an appraisal and may reveal issues that you may want to avoid or at least use as a negotiation point.



*Paul Wyler
Ag Credit Vice President-Credit.
Paul has been with Ag Credit for
39 years.*

2020 KENTUCKY CATTLEMEN'S ASSOCIATION CONVENTION

The 2020 Kentucky Cattlemen's Association (KCA) Convention and Ag Industry Trade Show was held in January in Owensboro. The event hosted cattle producers and professionals from across the state.

Central Kentucky Ag Credit was a gold sponsor of the 2020 convention, and offered complimentary boot shines to attendees. Thank you again to Young's Shoe Service for helping make the event a success!

Preston Seals of Madison County was inducted into the KCA Hall of Fame for Region 4. Congratulations to Mr. Seals on this great achievement! Mr. Seals and his wife, Gay, are customer-owners of Ag Credit, and currently run a feeder cattle operation and occasionally develop bred heifers on their farm in Berea.

Ag Credit was represented well, as staff members were busy networking and helping out at the event. Chris Cooper, Richmond Ag Credit Senior Loan Officer, serves as the KCA President-Elect, while Joe Goggin, Lexington Ag Credit Principal Loan Officer introduced the Hall of Fame Inductees during the Friday night banquet.



Joe Goggin, Ag Credit Principal Loan Officer presented Preston Seals his award on stage after being inducted into the KCA Hall of Fame



Ag Credit staff at the KCA Convention (left to right) Chris Cooper, Joe Goggin, Anna Browning, Taylor Smith, Cole Mattingly, TJ Drury and Courtney Bartschlager



(left to right) Chris Cooper, Richmond Ag Credit Senior Loan Officer and KCA President Elect with Tim White, 2019 KCA President



(left to right) Chris Cooper, Patty Cooper, Billy Glenn Turpin, Autumn Risk, Mimi Turpin, Andrew Colyer, Emily Harrison, Preston Seals, Gay Seals, Cathy Moiser, Bobby Moiser, Zachery Moiser and Brandon Sears



(Left to Right) TJ Drury, Frankfort Ag Credit Loan Officer and Kayla Rankin, Paris Ag Credit Loan Officer are shown at the Ag Credit booth during the Fruit and Vegetable Conference.

FRUIT AND VEGETABLE CONFERENCE

The 2020 Fruit and Vegetable Conference was held in Lexington in early January. Central Kentucky Ag Credit was among sponsoring organizations of the event with Ag Credit loan officers hosting a booth to answer financial questions.

The Conference had over 70 different speakers during the two-day event. The conference sessions topics ranged from farmers' markets and commercial fruit and vegetable production to a grape and wine short course.

I RECENTLY PAID OFF A LOAN, WHAT SHOULD I DO WITH THOSE EXTRA FUNDS?

BY: JUSTIN CRAIG

It's a great feeling to have a debt obligation paid off for that piece of farm equipment or real estate you purchased. For example, what if you recently made your final \$750/month payment on a loan, what's next?

Often times, some may feel the need to go out and buy something else. A good suggestion with those available funds can be prudently used a few ways. Those same funds you've been accustomed to paying could easily go towards paying down other debt obligations much quicker which will save you interest cost in the long run. The funds could be used to invest for retirement planning, but consult a financial adviser for this. Other good options with

those funds include "paying yourself" and setting those funds aside to strengthen your Working Capital and/or Savings to use in times of adversity.



*Justin Craig
Lebanon Ag Credit
Principal Loan Officer*

WISEMAN APPOINTED TO CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD



Shane Wiseman

The U.S. Department of Agriculture (USDA) announced the appointment of 40 members to serve on the Cattlemen's Beef Promotion and Research Board. Thirty-nine members will serve three-year terms, and one appointee will serve the remaining one-year portion of a vacant position.

Shane Wiseman of Clark County is the only Kentucky resident appointed to the board.

More information about the board and a list of board members is available on the Agricultural Marketing Service Cattlemen's Beef Board web page. More information can also be found on the board's website, www.beefboard.org.

Since 1966, Congress has authorized industry-funded research and promotion boards to provide a framework for agricultural industries to pool resources and combine efforts to develop new markets, strengthen existing markets and conduct important research and promotion activities. The Agricultural Marketing Service (AMS) provides oversight to 21 boards. The oversight ensures fiscal accountability and program integrity and is paid for by industry assessments.

CALDWELL ADDED TO KCARD BOARD



Jim Caldwell, Central Kentucky Ag Credit President and Chief Executive Officer, has been added to the Kentucky Center for Agriculture and Rural Development (KCARD) Board of Directors. Mr. Caldwell's term will expire in April 2021. The board consists of representatives from eight different partnering organizations in Kentucky and three representatives from agribusinesses located throughout the state.

KCARD is a non-profit organization established to facilitate agricultural and rural businesses in Kentucky. KCARD is supported primarily through grants provided by the USDA Rural Cooperative Development Program and the Kentucky Agricultural Development Board. Additional support is provided through work with partners around the state and through fees charged for select client services.

OUTSTANDING IN THEIR FIELD

Beth Mobley –
Loan Officer



Where are you from?

I moved to Versailles in the first grade, where I grew up and graduated from Woodford County High School.

Did you grow up on a farm?

We moved to the country, out towards Nonesuch, when I was in elementary school, where we had a small hobby farm, raising goats, horses and chickens...and a place big enough when we were annoying my mom she could kick us outside to play.

Where did you go to college?

Attended the University of Kentucky, where I obtained BS in Agricultural Economics and a BS in Agricultural Communications, graduating Cum Laude.

Were you involved with any clubs or teams growing up?

I was very blessed growing up, as my mom indulged my sister and me, allowing us to try anything we promised to commit ourselves to.

I was never really great at anything specifically, but I haven't stopped trying, a Jack or Jill of all trades but master of none type thing: ballet and tap dancer, played sports (gymnastics, hunter jumpers, soccer and track), pianist, oboist in my high school concert band and clarinetist in marching band, though I'm not even sure I can read sheet music any more. I was involved in a lot clubs in high school and was a member of Delta Delta Delta sorority and the Agri-business club in college. Now a member of our Young Farmer Advisory Council — The council was developed in 2013 and consists of a young farm couple or individual from each of the 17 counties in Ag Credit's territory, along with Ag Credit staff members. The council meets several times a year to learn about best agricultural practices, along with providing input into Ag Credit's young, beginning and small farmer program.

Interesting facts about yourself:

I've been employed since I was 13, where my first job was picking produce and clerking for a former orchard in Woodford County (Garrett's Orchard). I waited tables and bartended

throughout high school and college, where I am firm believer that every person should have to work in the hospitality industry at some point in their life. Started working in ag finance in 2012 and have been in the industry since.

I worked under two Governors as the Director of Loan Programs for the Kentucky Agricultural Finance Corporation, where I was able to work on agricultural projects and initiatives with lenders, producers and processors across the state. This is where I was able to work one-on-one with Central Kentucky Ag Credit's loan officers on creating financial packages to help their borrowers. I always appreciated the dedication they had for their farmers and agriculture, and knew I wanted to be a part of it....and here I am!

I've ridden horseback on three different continents (Europe, Africa, North America) and attended a session at the Falconry School in Ireland.

My husband's family used to run an old country store in Bushtown in Mercer County. We purchased the property a few years ago and built our home back on a ridge overlooking the cedar trees and wildlife, where we are raising our nearly 5-year-old daughter, Adalynne.

Favorite part of being an Ag Credit Loan Officer:

Being a part of Ag Credit has allowed me to be involved in a lot of local events and community activities, where I've been introduced to some of the greatest people and their families. Though I've been in Mercer County for nearly 10 years, the people here (and in Boyle), never cease to amaze me. There is something special about small towns where people can still come together to support each other. And what's more, when I look around and see you there, our customers, helping keep our community strong, I know I'm in the right place working for the right people. Whether your bidding on cookies for an FFA fundraiser, helping a neighbor in need or just taking the time to be a part of something more than yourself, I'm thankful for the opportunity to be there with you.



MCCAINS' ASPIRATIONS TAKING FLIGHT – *Bluegrass Upland Hunts, LLC.*

(left to right) Richard Medley, Ag Credit VP Credit with George McCain during a visit to George's farm

Few things bring as much joy to George McCain as his growing family, farming and upland bird-hunting.

Growing up, George and his three brothers and sister helped their parents raise beef cattle and burley tobacco, and he always knew he'd sow the seeds of his own future in the fertile soil of central Kentucky. After graduating from the University of Kentucky in 2006 with a degree in Agriculture, George began growing tobacco on rented farmland. A few years later, he changed gears and began working as an extension agent and then as a crop consultant.

"While I learned so much about agriculture, along with management of employees and time, there was still that itch to get back onto the farm full time," he said.

In 2014, George and his wife Laura Leigh bought

a 158-acre farm in Washington County and he went back to farming full time. "I've always had a dream of living on a farm that we own and raising our family on that farm," George said. "A lot of this wouldn't have been possible without Ag Credit's AgStart program, because we were able to purchase our farm and then build my wife's dream house. For what our goals were, these loan programs offered just the opportunity."

Today, their operation raises grain and Holstein heifers, which the McCains receive when they're 200 pounds and raise them until they're about 750 pounds. George credits Laura Leigh for being an incredible partner and mom to their two children Owen, 6, and Mary Leigh, 4. The young family is excitedly preparing for a third child, who's expected to arrive in May.

“

Our long-term goal is to give my kids the opportunity, if they choose, to farm, and to have a leg up if they'd like to continue in agriculture.

”



“Our long-term goal is to give my kids the opportunity, if they choose, to farm, and to have a leg up if they'd like to continue in agriculture,” George said.

In 2018, the McCains partnered with George's youngest brother, Fergus, to buy 444 acres in Washington County. The brothers focused their energies on feeder cattle and grain crops, but they also began a new business venture, which sprang from fond childhood memories of pheasant-hunting trips with their dad in the Midwest.

Their joint venture, Bluegrass Upland Hunts, offers guided and non-guided hunts to sportsmen and women seeking memorable wingshooting experiences. Hunters can use the brothers' dogs or bring their own to flush out a variety of gamebirds, including pheasant, quail, dove and chukar. The brothers also conduct youth and bow-only hunts for Whitetail deer and wild turkeys.

After the hunt, visitors can relax in the remodeled milking parlor for delicious, home-cooked meals, cozy overnight accommodations and views of breathtaking scenery.

“It's an exciting new venture, we enjoy doing it and I think the people that come here enjoy themselves,” said George.

After establishing a relationship with Ag Credit in 2008, George chose Central Kentucky Ag Credit years later because of the team's deep agricultural knowledge and willingness to work with farmers.



“Richard Medley, Ag Credit's Vice President of Credit, knows the in's and out's of young farmer programs and can explain them in a way that's easy to understand, since he's a young farmer himself,” George said. “Central Kentucky Ag Credit has been an excellent partner as we continue to grow.”



bluegrassuplandhunts.com



Bluegrass Upland Hunts, LLC

EXPRESS EQUIPMENT DEALERS

Ag Credit partners with several participating dealerships to provide you with flexible terms, competitive rates and the convenience you are looking for when financing your new or used equipment purchase.

BENEFITS INCLUDE:

- Decisions made within minutes
- Easy and quick financing - apply at the dealership
- Fixed-rate loan products
- Potential cash discounts from manufacturer for new equipment
- Used equipment program
- Leasing options available
- Eligible for the Ag Credit profit-sharing patronage program
- Loans are booked at local Ag Credit offices

PARTICIPATING DEALERS IN OUR AREA:

Arnett Tractor Sales

Mt. Sterling

Bluegrass Feed & Supply

Hustonville

Bobcat Enterprises, Inc.

Lexington

Central Equipment Co.

Lexington

Clements Ag Supply, Inc.

Springfield

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Lawson Tractor & Implement II

Stanford

Meade Tractor

All Kentucky Locations

Montgomery Tractor Sales

Mt. Sterling

Flemingsburg

Pingleton Trading Co.

Lancaster

Red Barn & Assoc., LLC.

Lancaster

Winners Circle Trailer

Lexington



RECENT LAND SALES

The information provided in this column is only a sample of the recent land sales in central Kentucky. Since there are many factors taken into consideration when a buyer and seller establish a price, sales may or may not reflect the current market value in any particular area and should not be used in lieu of a formal appraisal by a state certified real estate appraiser to establish a value for a particular tract of land.



Kentucky Prime Realty, LLC

232 S College Street | Harrodsburg, KY 40330
859-612-7326 | www.kentuckyprimerealty.com

Location 1:

Acres: 75
County: Washington
Date of Sale: 1/22/2020
Selling Price: \$180,000
Improved: Small home and outbuildings

Location 2:

Acres: 61
County: Washington
Date of Sale: 1/24/2020
Selling Price: \$158,250
Improved: One barn

May & Parman Agency Inc.

151 West Main Street | Lebanon, KY 40033
270-692-2153 | www.auctionsandhomes.com

Location 1:

Acres: 189.163
County: Marion
Date of Sale: 11/16/2019
Selling Price: \$484,105.88
Improved: Brick ranch home with an unfinished basement, a one car carport, plus a two car detached garage/shop
Unusual Features: Land had about 25 acres m/l of cropland with the remaining being steep woodland.



BEEF HERD GENETICS – ARE YOUR COWS CAPABLE OF DOING WHAT YOU’RE ASKING OF THEM?

BY: JOHN C. PEEK

How often do we think about the genetics in our cow herd? When people hear the term “genetics” different things come to mind, but what I want to focus on is the ability for cattle to perform whatever task we are asking of them. Cattle are very diverse. Most have some areas in which they excel and other areas where they could improve. I think it’s important to think about what you are asking your cattle herd to do, and then be honest with yourself about if they are doing it well or not.

In my opinion, the first thing we need to think about is our point of sale. WHEN/WHY/HOW do we market our calves? Do you sell calves at weaning? Do you wean and pre-condition calves for CPH sales? Do you sell registered seedstock? Do you market your calves directly off the farm as freezer beef? The answer to that question should steer (pun intended!!!) us in choosing genetics that help make our operation more successful and profitable. An animal can only perform to its maximum genetic potential. This holds true no matter what traits you are considering. The reality is sometimes the genetics in our herd and our marketing plans don’t complement one another very well. For example, let’s consider a freezer beef operation that is taking calves up to slaughter weight,

feeding them the best growing and finishing rations, but when harvested the cattle all grade select. Assuming they were fed correctly, it is apparent their sire and dam didn’t pass on the genetic ability to marble/grade at the choice or prime level. To make a high quality end product and eating experience for customers, those calves (which also means their sires and dams) have to have the genetic potential to marble.

The good news is there are several tools available to be able to identify the heritable traits that cattle possess. A few of these are EPDs, genomic testing, actual performance data and phenotype. We should use this information to help us compare an animal’s traits to our operation’s goals and then purchase bulls or replacement females accordingly. First, I encourage everyone to visit the website for whatever breed you are interested. Find out what EPDs they have, but more importantly what they mean and how they are meant to be used. Does the breed have genomic-enhanced EPDs to increase the accuracy, or are they just averages based on pedigree?

I will caution you to not depend on the numbers alone. Instead, visit with breeders in your area and



look at the cattle to make sure they are sound and functional. It doesn't matter what the EPDs are if the cattle aren't functional. Also look at the actual performance of individuals you are considering for purchase as compared to their contemporaries. Ask about the feeding program the cattle have been in. I think it's best to purchase cattle that have done well in an environment similar to your own. Lastly, think about phenotype including color. For example, the goal of a bull purchase could be to increase the uniformity of a calf crop from a set of mixed breed cows by breeding them to a black bull. With that goal in mind one would need to make sure the bull was homozygous for black coat color.

With all this information at hand, you can put a plan into action. One of the quickest ways to change the genetic base of a cow herd (if replacements are being kept) is through the sires. Although it is important to realize that change can be for the better or worse. The choices you make will have an impact for years to come. I advocate the use of artificial insemination when feasible because it allows for improvement at a faster rate. There are many proven sires for most traits that you will be seeking to improve. After two or three generations of stacking those sires, the calves should be performing better for you since you are breeding them to excel at what you are seeking. Although, I do want to caution against long-term single trait selection. If we only concentrate on one trait or two, other traits could suffer in the process. I think in most situations, especially when replacements are being kept, we need to try to breed a fairly balanced type of animal. They need to have

good maternal, performance and carcass traits.

As beef producers, we should always remember that at the end of the day we are producing a product that is going to be consumed by people, and the decision to purchase beef again or not in large part is influenced by their last experience. We need to make sure we are trying to breed and raise an animal that will make for a good eating experience. Without happy consumers, we have no market.

My goal in these ramblings is mainly to provoke thought. I hope I have caused you to take a minute to think about your operation and the genetics of your own herd. Then go a step further to consider the future cattle that you will incorporate into your herd and their genetic potential. Take advantage of new technology in the beef industry, and put it work on your farm. Cattle come in all shapes, sizes and colors. Which ones will help you be more profitable? I encourage you to breed cattle that are capable of doing what you ask of them.



*John C. Peek
Stanford Ag Credit Senior
Loan Officer – John just
completed his 17th year at
Central Kentucky Ag Credit
and raises Angus cattle in
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SAVE THE DATE!

Mark your calendar for the annual
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Friday, April 3

All Ag Credit branch locations

Qualifying member-borrowers may
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We'll have refreshments, too!

*(left to right) Cole Mattingly, Lebanon Ag Credit Loan Officer
and Ben Settles of Washington County at the 2019 Customer
Appreciation Day.*