



A New Way to Do Business

Beginning with the 2006 calf crop, active North American Limousin Foundation (NALF) members have the *option* of conducting business using LIMS – the new, *Web-based* Limousin Inventory Management System. LIMS represents an exciting opportunity for many members to lower their costs of doing business with NALF while contributing more complete and comprehensive productivity information to help position the Limousin breed for future improvements.

Different than the traditional model for conducting business with NALF, members choosing LIMS pay an annual fee of \$15 per active cow and, in turn, are entitled to record performance for, register and transfer that year's calf crop. That compares to the least costly registration (\$15 for 0-120 days from birth) and transfer (\$12 for 0-60 days from sale) for \$27 per animal.

LIMS provides members and NALF a number of benefits – from the incentive to capture unbiased, complete performance and reproductive information for more reliable genetic predictions to a simplified and often lower cost way of conducting business for members. LIMS also is expected to help NALF more accurately predict revenue for budgeting, planning and prioritizing its work on members' behalf.

The Board of Directors has approved the following LIMS specifications.

- LIMS will adhere to Beef Improvement Federation (BIF) guidelines for inventory-based recording.
- NALF annually assesses \$15 for all females (registered, unrecorded and foundation) that are 16 months or older at the time of assessment. There is *no* annual LIMS assessment on bulls.
- For NALF to capture critical productivity information, LIMS cows must have either a calf record or a reason (for no calf) code reported annually. Cows removed from inventory must have a culling code reported. Members managing their inventories for the first time are not required to account for cow productivity during the previous years.
- Payment of the LIMS assessment entitles the cow's calf in that inventory year to be registered and transferred once. Regular transfer fees apply for females older than 24 months and males older than 30 months on the sale date.
- The annual assessment on LIMS cows used as donor dams covers the registration and transfer of the first calf – whether natural or embryo-transfer (ET) – from the cow that year. Normal ET registration and transfer rates apply to ET calves from non-LIMS donor cows. DNA parentage-testing requirements and fees apply to any ET calf, regardless of the donor's LIMS status.
- The annual assessment on LIMS cows used as recipient dams covers the registration and transfer of the first ET calf from the cow that year. Normal ET registration and transfer rates apply to ET calves from non-LIMS recipient cows. DNA parentage-testing requirements and fees apply to any ET calf, regardless of the recipient's LIMS status.
- LIMS participants must flag potential donor and recipient cows on their annual inventories. Donor dams who are dead may be placed on member inventories by assigning the "dead – used as donor" code.
- Partnership cows are the responsibility of the primary owner (the partner associated with the address on file for the partnership). Leased cows are the responsibility of the cow's owner on file. Changes to partnership and leased-cow responsibilities may be arranged by contacting the NALF office.
- Transfer fees still apply to offspring of non-inventory cows.
- Transfer fees are not discounted for LIMS bull calves that are transferred after being listed in the Limousin Exchange Bull Listing Service.
- LIMS is an *alternative* to the traditional registration-and-transfer business model for *active* NALF members. It is *not* an option for inactive members.
- LIMS is exclusively available *via the Web* and electronic management of inventory information. It is *not* available via paper submission of inventory information.
- Members wishing to alternate between LIMS in one year and registration-and-transfer in the next must pay annual assessments for all cows in each of the previous non-LIMS production years and provide calf data or reason codes for all cows in each of those years.
- If a member decides to participate in LIMS for a given year, that member is responsible for paying all annual assessments incurred, whether the member disperses during that year or decides to end participation. NALF will *not* refund assessments.
- LIMS-assessed cows sold and transferred to either LIMS or non-LIMS members carry the entitlement to registration and first transfer for their calves to the new owner.
- Calves from non-LIMS cows sold to LIMS participants are recorded at member rates for performance and registration for the LIMS year in which no assessment was collected on the dams.
- The LIMS calendar includes separate spring- and fall-calving schedules for inventory management and billing.
- For members with both spring- and fall-calving herds,

both herds must be either LIMS or non-LIMS (cannot have one season on LIMS and the other season not).

- In early January (spring-calving herds) and early June (fall-calving herds), active members with e-mail addresses on file with NALF receive links to their current cow and replacement-female inventories (see ages specified previously) for updating.
- To enroll in LIMS on an annual basis, in early February (spring-calving herds) and early July (fall-calving herds), active members must enroll electronically and provide updated cow inventories to NALF with all changes, additions and corrections. That establishes the active inventory of cows for progeny recording, registration, transfer and assessment.
- To help ensure complete productivity information from all cows every year, after initial enrollment, a \$45 per cow reinstatement fee will be assessed to change cows from inactive to active status. There is *no* reinstatement fee for bulls.
- By early November (spring) and early March (fall), members must respond to the “no progeny application report.” NALF will flag cows that are designated as active but without progeny or reason (for no progeny) reported for the previous year’s production as *inactive* and remove them from active inventory. Inactive cows are ineligible to have progeny reported and registered unless reinstated through later report of progeny or reason code.
- To ensure active inventories accurately reflect incoming replacement heifers, in early May (spring) and early November (fall), NALF will e-mail a link

to the member’s existing yearling heifer inventory for designation of retained heifers, disposed heifers, exposure information, breeding season dates and grouping information. That *optional* information is due by mid-August (spring) or mid-February (fall).

- Billing occurs in two equal installments based on the member’s inventory submitted in mid-February (spring) or mid-July (fall). NALF mails invoices for the first installment on April 1 (spring) and Oct. 1 (fall) and for the second installment on Oct. 1 (spring) and April 1 (fall). Payment is due at the end of the month billed (April 30 or Oct. 31).
- LIMS participants with 10 or fewer cows on their inventories are billed *once and in full*. NALF mails invoices to those members on April 1 (spring) or Oct. 1 (fall). Payment is due April 30 (spring) or Oct. 31 (fall).
- As long as the LIMS participant is a member in good standing with NALF, NALF will release the member’s paperwork before the member has paid in full for all annual cow assessments.
- Failure to pay an invoice within 45 days will result in interest being charged to the member’s account at the rate of 1.5 percent per month. Failure to pay an invoice within six months will result in a letter explaining the consequences of nonpayment, including an additional penalty of \$3 per cow to remain in LIMS. If members do not pay the April invoice and penalty by Jan. 1 of the following year or the October invoice and penalty by July 1 of the following year, their inventoried cows will be removed from LIMS.

LIMS Improves EPDs, Offers Benchmarks

Attention, Limousin seedstock producers serious about performance and providing your customers with the most reliable selection information possible: There is a new, *optional*, inventory-based way of doing business with the North American Limousin Foundation (NALF).

Starting with the 2006 calf crop, active NALF members have the option of using the *Web-based* Limousin Inventory Management System (LIMS). Members choosing LIMS pay \$15 per active cow annually (in two installments), then are entitled to record, register and transfer the cow’s calf.

LIMS is a form of whole-herd reporting (WHR), which describes each cow’s annual production.

“Breeders have been keeping these records on the backs of envelopes or in little notebooks in their pockets. Every time a cow does something, it’s recorded,” said Keith Bertrand, professor of animal and dairy science at the University of Georgia, Athens (UGA). “With whole-herd reporting, the information is being shared with the breed association, and you can get a very good performance system.”

With LIMS, a producer reports one of the following for each cow on inventory annually: a calf record, a disposal code, or a code designating why the cow failed to produce a calf (a “reason code”). The records generate data for genetic predictions; assist in selection and culling; identify genetic, environmental and management areas that need improvement; and monitor overall reproductive performance.

Accurate Predictions

“The primary reasons for LIMS are to collect complete

birth, weaning and yearling performance information and reproductive data,” said Lauren Hyde, Ph.D., director of performance programs for NALF. “We’ll have more complete information to produce EPDs (expected progeny differences) that are more reliable.”

Limited or incomplete data mean low-accuracy genetic estimates, which lead to poor breeding decisions, said Tom Field, professor of animal sciences at Colorado State University (CSU).

“Biased data simply mean that we have introduced inaccuracies into the database, thus undermining the integrity of the breed’s genetic estimates,” he said. “In a competitive market, it is absolutely critical that our customers can trust our data.”

The marketplace demands accurate EPDs, said Craig Huffhines, executive vice president for the American Hereford Association (AHA), which introduced its form of WHR in 1999. “Whole-herd reporting’s complete contemporary groups do a much better job of genetic evaluation. When identifying curve-bending genetics, you need data.”

To find the rare animals that will defy genetic antagonisms, breeders need to identify outliers – at both ends – for many trait combinations.

“The inferior animals already are in every breed,” Huffhines said. “Every animal should be reported. If inferior animals aren’t reported, you don’t know how good the good ones are.”

With LIMS, there is a financial incentive to report data for all animals, said Kent Andersen, Ph.D., executive vice president for NALF.

“Superior animals will look even better when all inferior animals are reported,” he said. “And because LIMS encourages more data submission, animals will reach higher accuracies faster, helping breeders manage risk associated with selection.”

Not only does LIMS make existing EPDs more reliable, Hyde said, but it also makes more genetic evaluations possible.

“By accounting for cow productivity annually, we can begin to investigate factors that affect reproduction, fertility and longevity,” she explained.

LIMS includes all females at least 16 months of age in a two-season (spring and fall) inventory system and offers the option of reporting exposure information for evaluating genetic differences in heifer pregnancy.

“The Limousin Visions Symposium identified heifer pregnancy as a high-priority trait for data collection and genetic evaluation, and breeders are strongly encouraged to report exposure data,” Andersen said.

Better Management

While LIMS herds must report all calves, whether any are registered remains the breeders’ decision. Without LIMS, however, breeders are not as likely to report inferior animals for genetic evaluation, Andersen said.

“Most genetic improvement occurs through accurate sire selection. Reporting weights and measures for all animals increases accuracy of sire selection and drives genetic change,” he explained. “With LIMS, NALF also is able to provide benchmark reports to help breeders evaluate their herd performance against that of all other LIMS participants.”

LIMS enhances the power of a herd’s data, facilitates

tracking individuals and provides benchmarks, Field said.

“Breeders will continue to make their own decisions in line with the market they have targeted,” he added. “Whole-herd reporting through LIMS simply provides a better opportunity to make good decisions via the recording of complete data.”

For example, culling data helps evaluate key traits, Hyde offered.

“We can more readily determine why animals leave herds or if there is a problem within the breed,” she said. “Maybe members are culling a lot on disposition. Once they realize that, they can start selecting bulls that are more docile.”

“LIMS helps breeders document the culling process,” she added.

Breed Business

The LIMS approach to data collection gives the breed useful information regarding birth, weaning and yearling performance.

“It should substantially enhance reliability for those traits’ EPDs,” Andersen said.

In addition, LIMS provides new insights into survival traits, reproductive efficiency and lifetime productivity.

“Without a sincere commitment to the collection of good, complete data, we cannot expect to make significant progress in genetic evaluation in those key traits,” Field emphasized.

Huffhines also views the issue from a competitive standpoint.

“You’ve got to use every tool to add value to your breed and keep up with the competition,” he said.

LIMS Helps Breeders Plan

Starting with the 2006 calf crop, active North American Limousin Foundation (NALF) members have the *option* of using the *Web-based* Limousin Inventory Management System (LIMS). Members choosing LIMS pay \$15 per active cow annually (in two installments), then are entitled to record, register and transfer the cow’s calf.

LIMS is a form of whole-herd reporting (WHR), which describes each cow’s annual production. Keith Bertrand, professor of animal and dairy science at the University of Georgia, Athens, (UGA) said it is the best way to keep track of everything that happens in all phases and segments of beef production.

“The cows are where the action is,” he said.

An inventory-based fee-assessment system often accompanies WHR programs like LIMS for the following reasons.

- It removes financial disincentives to submitting complete production and performance data.
- It encourages producers to maintain accurate active inventories.
- It promotes the registration and transfer of seedstock destined for commercial enterprises because, once the inventory fee is paid, there is no extra charge.

NALF calculates its annual LIMS assessment on the number of inventoried calving-age (16 months and older) females in a herd on a seasonal (spring and fall) basis – as determined from the annual inventory reports it receives from LIMS enrollees.

The annual cow assessment replaces the traditional

fees for registering each cow’s calf in a year, recording performance for the calf and transferring the calf once (before 24 months of age for females and 30 months for bulls). The system encourages breeders to collect and submit all performance information, although that in *not* a LIMS requirement.

“If breeders already have paid for cows on inventory and there’s no extra charge for data submission, registration or transfer, they probably will be more inclined to take full advantage of NALF services,” said Kent Andersen, Ph.D., executive vice president for NALF. “And we presume data is less prone to reporting bias if it doesn’t cost any more for complete submission.”

Bertrand explained that whole-herd reporting does not take away the breeder’s responsibility in culling for genetic improvement.

“Register the best, but record them all,” he said.

To ensure complete reporting, a reactivation fee is required to reinstate cows. The fee discourages the selective reporting that results from producers’ moving cows to and from breeding-herd inventories.

“The reactivation fee is designed to discourage artificial manipulation of cow inventories,” Andersen said.

“Without it, some breeders might be tempted to state fewer cows on initial inventories and reactivate those with the best calves, which would create reporting bias. That defeats the primary objective of LIMS – complete data for the best genetic predictions.”

The traditional fee structure remains in place

for embryo-transfer (ET) calves and multiple-birth registrations, said Lauren Hyde, Ph.D., director of performance programs for NALF.

"For multiple births, each cow gets only one natural calf registered for the \$15 assessment fee," she said. "The breeder pays the regular registration rate for the other calves."

New, Easy

LIMS creates a different way of doing business with NALF by shifting the fee structure from calves to cows, which should improve financial planning for most breeders. In the process, NALF is able to generate a more accurate breed inventory and better predict revenue. Members also benefit from fewer paperwork delays and invoicing problems, thanks to the *Web-only*, error-checking application.

"LIMS is designed to be budget-neutral for NALF, especially with data input and inventory management being the members' responsibility via the Web," Andersen said.

Traditionally, the least costly registration and transfer fees have been \$15 and \$12, respectively, per animal. Breeders enrolled in LIMS save at least \$12 per calf registered and transferred.

"In reality, it costs some breeders more and is less expensive for others," Andersen explained. "For *all* breeders and commercial users, however, it provides more dependable information on which to base selection decisions."

Whatever the bottom-line effects, breeders' NALF expenses are more predictable with LIMS.

"It's simpler to do business based on one fee per active cow per year rather than separate fees for registration – graduated according to age – and for performance recording and transfers," Andersen said.

A more accurate database justifies the breeder's cost of inventory-based assessment, said Craig Huffhines, executive vice president for the American Hereford Association (AHA), which launched its form of WHR in 1999.

"It cost some people a little more to do business with us, but we've greatly reduced questions about our EPDs (expected progeny differences)," Huffhines said. "Members get more for their money with greater confidence."

Andersen emphasized that LIMS is *optional* and breeders can decide for themselves what best fits their situations.

"LIMS was designed to be revenue-neutral for the typical breeder and NALF," he said. "Provided an abnormally large number of active-inventory cows are not culled in a given year for some unexpected reason, whole-herd reporting programs like LIMS have proven to be more reliable for budgeting in other breeds."

Huffhines agreed: "It benefits an association financially. And without it, the commercial industry has less reliability in EPDs."

Tracking the number of cows instead of the number

of registrations also helps an association identify growth opportunities, he added. Knowing herd size by region and state has helped AHA develop different services and programs based on numbers, averages and percent registered.

"It's been important information for developing strategies to serve the members," Huffhines explained.

Taking Inventory

Besides information for budgeting and strategic planning, an accurate inventory of active cows helps NALF provide more accurate herd reports and herd-average EPDs for active animals.

"With an accurate inventory," Andersen said, "NALF can better evaluate the strengths and weaknesses of the breed's active cows and provide more information for specific improvements."

For example, cow longevity is one of the key opportunities to realize more profitability from a herd, said Tom Field, professor of animal sciences at Colorado State University (CSU).

"Whole-herd reporting allows us to uncover those individuals and families that are not meeting the mark as a result of functional failures," Field said. "We think this data allow us to be sharper, more precise managers inside our own herds. We pick up on problems quicker and sometimes find a management change is sufficient to rectify the problem."

Make Your Selection

Andersen repeated LIMS is *optional*, and breeders must choose to participate.

"For the sake of winning business from commercial customers, serious breeders should be committed to the most complete, accurate documentation of genetic merit across all traits for their animals," he said. "LIMS is the ultimate mechanism for accomplishing that documentation."

The complete approach to data collection provides a better opportunity for the industry to create useful information in regards to survival traits, reproductive efficiency and lifetime profitability, Field said.

"Without a sincere commitment to the collection of good data, we cannot expect to make significant progress in genetic evaluation of key traits," he said.

Bertrand pointed out breed associations' role as purveyors of information in explaining why WHR programs like LIMS are so popular.

"They need to enhance the commercial producer's bottom line to succeed," he said.

Huffhines said he does not think WHR and inventory-based assessments are any different, just more disciplined.

"We're selling documented genetics, and we need to document accurately," he said. "This has been our greatest commitment toward achieving that goal."



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