

WHY Consider the Gateway Lucky Cross Program?

Long term approach:

- -Our family operation strives to sustain itself over generations. The fourth generation is currently stepping in, and the fifth generation is coming.
- -We have a long term vision, not just focused on the next sale or the next hot bull.

Bulls are all raised on the same ranch:

- -No cooperators or outside consigners
- -Big sire groups

More heterosis, broader genetic base:

-Lucky Cross parameters are 3/8 to 5/8 Simmental with a focus on broadening the base for the balance. Sustainable crossbreeding.

Forget about politics and make them good:

Let the data and science speak for itself.

Maternal outcross option to complement the purebred Angus cow:

- -Someone needs to do it. Lots of maternal cattle have been over selected for growth, without the benefits of considering maternal heterosis.
 - -We focus on maternal shape with proven genetics that are genetically maternal
 - -We don't question the science, we make the figures match the claim.

Pushing the envelope for marbling:

-Make the pounds we produce worth more.

GATEWAY FOCUS AND BRAND

Gateway has been focused on making a **black and red, balanced, maternal option** for ranchers since around 1989. In the past, the evaluation tools were not where they are today. With the advent of the multiple breed evaluation from IGS, genomic testing, and now Right Mate and Right Choice, the idea of a **documented superior hybrid** animal is coming to fruition. In the thirty some years we have been working on this vision, it is really growing roots. Early on the vision was clear, but the database and tools were unavailable.

In 2001, before the name SimAngus was coined by the Simmental association, Gateway named our hybrid program, Lucky Cross. A very smart businessman from Canada stated "you can't market hybrid cattle without a name." Even though the name SimAngus has been coined since, we have stuck with our proprietary ranch hybrid name, Lucky Cross.

The by line, "Whichever direction you are going, they cross" was used to signify multi trait balance. Many of us know, trends change and can move animals out of equilibrium. Catch the middle ground whether you are coming or going.

Gateway maintains a large cowherd, so we can visualize the results of our program. Once a female is retained, as long as she is sound, and is pregnant to calve before April 1st, it is all about production. This is why we don't have seedstock female sales. If you sell your best young females, it is hard to visualize where we are going, plus we would need to embryo transplant to stay in the game. It is imperative to know how our top genetics perform in the real world.

I question the overuse of the statement, "pounds pay". Of course, pounds pay, that is how we get paid for our production. However, from a cow perspective, pounds pay when you salvage the cow. How much does it cost to produce her pounds of offspring through her lifetime? How many years does the cow last, and how much do we have to feed her? Furthermore, what is the value of the pounds she is producing? If you feed cattle to finish, there is nothing more depressing than selling fed cattle on a grid, then looking at the carcass data and seeing how much money you left on the table.

Typically, with continental based cattle, the normal problem is that they are not grading good enough. With straight British bred cattle, it may also be quality grading or too many yield grade 4s. Gateway has fed cattle to finish since 1994. We have been building a maternal hybrid for improved marbling with an eye on limiting the percentage of Angus for a long time. GW Lucky Charm 665K, born in 2000, was the founding sire of Lucky Cross. This is why the Lucky Cross program is pushing the envelope for marbling, while maintaining competitive yield. By

looking at feeding closeouts and carcass data, it gives perspective you otherwise wouldn't have had. **Quality beef is the competitive advantage of American beef in the world market.**

Efficiency in beef production cannot be achieved without capturing some of the 25% improvement in pounds weaned per cow exposed through maternal heterosis.

When I hear cattle people comment on how some of the high marbling Angus cattle are hard doing and not so fertile, it tells me that the genetic base is too small; they lack maternal heterosis. Why can't we make fertile, easy doing black cattle that improve productivity and add value with marbling? The cow is half the equation. The better the cow, the less the need for terminal sires. The more opportunities you have when marketing your calf crop. The cattle business is a long-term proposition. If we are diligent, we can cut production costs and add real value at the same time. It requires all the tools and science available.

Isn't the commercial herd inbred enough? As an industry, we need more diversity. It is hard to capture both direct and maternal heterosis in a sustainable way without incorporating multiple breeds into hybrid cattle. We have experimented with different breeds and hybrids, but it seems the Red Angus fits our Lucky Cross model the best.

Although it is thought that both Red Angus and Black Angus are highly related, Dr. Mahdi Saatchi, a world renowned geneticist, who also created Right Mate and Right Choice, has stated that when he looks at the genome between Black and Red Angus, Red Angus is a minimum of 80% unrelated to Black Angus. With that in mind, Gateway is working Red Angus into our Lucky Cross program. We will still offer many Simmental Black Angus pedigrees, but we need to protect ourselves from making inbred hybrid cattle.

Some of the black sires we are using that carry Red Angus blood are 5L Advantage, GW Sparky 369, GW Deadwood 079, and for 2024, GW Warhead. Some of the bulls that sell with these pedigrees will be homozygous black. Most cows in this part of the world carry both black genes anyway. Over time, we will create more homozygous black cattle with a more diverse gene makeup.

Heterosis and breed complementary are the only things free in the cattle business.

Adding some Simmental, which contributes more red meat yield, along with Simmental being the highest marbling Continental breed, really complement the British breeds. The commercial cowherd in this country is inbred enough. We have developed an "intermediate breed choice", Lucky Cross. When I say "intermediate breed choice", I mean a combination of British and Continental breeding. In the South, there are many Brahman influenced hybrids that add value in the production traits, especially for their heat tolerance. (Brangus, Santa Gertrudis, etc.) Why not improve production traits in the North in a similar way with a Simmental based hybrid to improve red meat yield, durability and longevity? There is a need for both. The science says hybrids are more predictable than purebreds. The more divergent the genetic makeup of the animal, the less the probability of an animal catching bad genes from both the sire and dam.

With a lack of labor, the cost of machinery, etc., producers should consider intermediate hybrid bulls that enable them to capitalize on heterosis without a complicated management system.

The term "black" implying good is overused today because a lion share of the cattle above the Mason Dixon line are black. If they are portrayed as Angus on Angus, does that make them better? What Angus on What Angus! What maternal traits? What terminal traits?

This is why <u>the creation of Right Mate and Right Choice are game changers</u> in the genetics business today. A famous phrase is, "You can't improve what you can't measure." Well, we just found a new way to measure something we couldn't before.

Right Mate and Right Choice further define "black cattle". Most importantly, the programs find impactful genes you can't see.

- * Is there garbage in an animal's genome that will come back and hurt me in the future if I retain females?
 - *What am I really buying?
 - *Is the animal bred to be maternal and balanced, calving ease, or terminal?

Producers should be most excited about purchasing bulls that have been run through the Right Choice Program. By sorting the genome for impactful bad genes, you can avoid adding any more of those known bad genes to your herd. A couple of the genes that can be easily eliminated by using the Right Choice Program are the later maturing, extended growth genes. The genes that lead to big cows and steers that **won't finish till they are overweight.**Negative fertility genes are another big one. If an animal tests (G+) and is not an (ATM), you are assured both these problems are eliminated. Furthermore, if you are wanting to push the envelope on growth, but want to retain heifers, use growthy bulls that are G+ and not ATMs.

This may seem complicated and crazy to some, but progress is made by thinking outside the box, and implementing proven new tools as they become available.