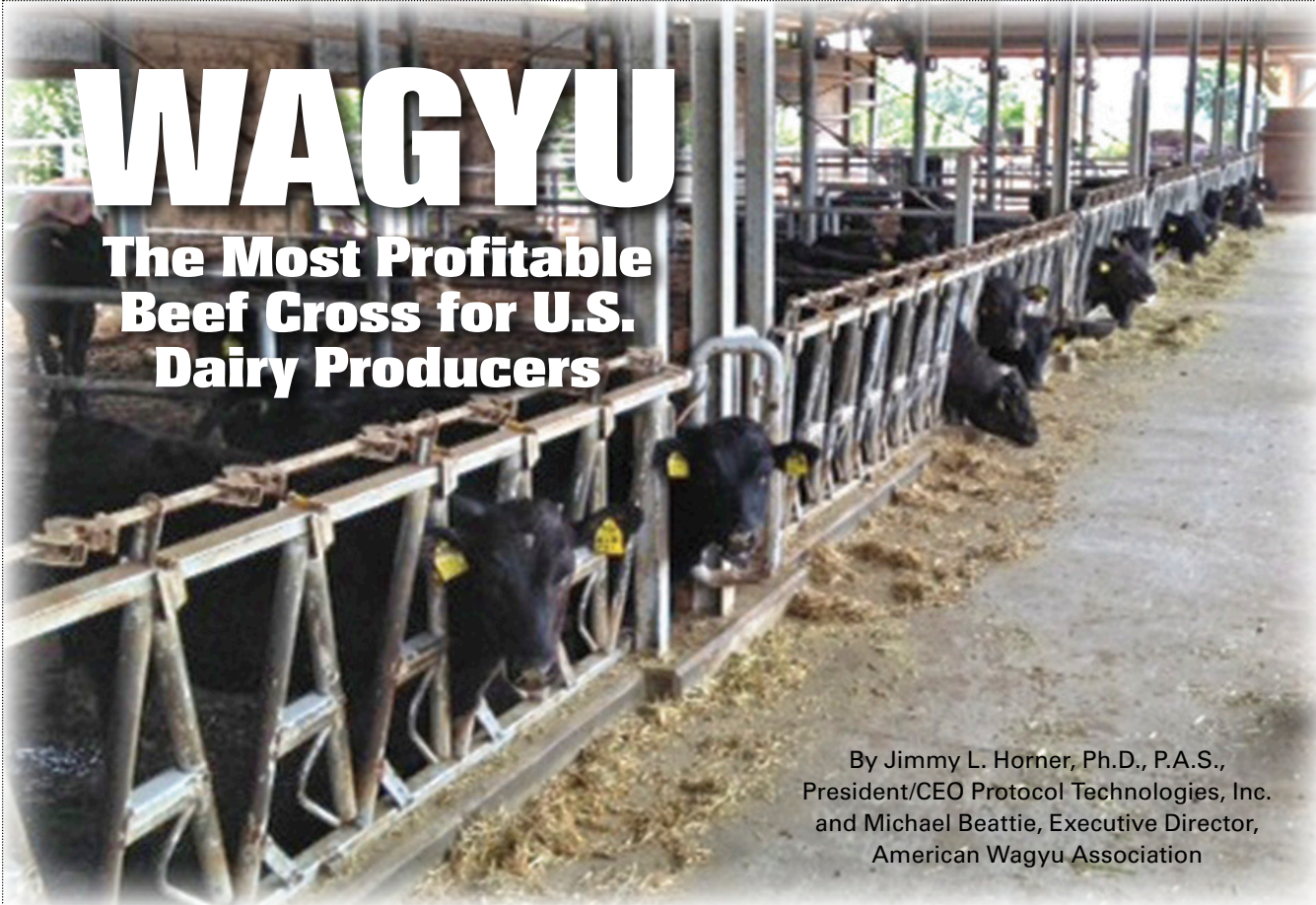


# WAGYU

## The Most Profitable Beef Cross for U.S. Dairy Producers



By Jimmy L. Horner, Ph.D., P.A.S.,  
President/CEO Protocol Technologies, Inc.  
and Michael Beattie, Executive Director,  
American Wagyu Association

**W**agyu cattle are native to Japan. The breed is known for highly marbled, healthy beef along with low birthweight calves and very docile temperaments. Though many in the U.S. are unfamiliar with this unique breed, the American Wagyu Association is currently the fastest growing beef breed association in the U.S. and those who have joined the Wagyu ranks are still on the ground floor of a breed ready to explode onto the American beef scene. Most U.S. Wagyu beef, whether from fullbloods or crosses, grades Prime or above. The Japanese BMS beef grading system actually includes 8 levels above our USDA Prime to accommodate the high degree of marbling in the Wagyu breed. With less than 2% of U.S. beef grading Prime, the U.S. Wagyu industry is poised for the opportunity to make a significant impact on the overall quality of U.S. beef and provide Americans beef with eating quality and health benefits second to none.

Many commercial dairies in the U.S. are now utilizing crossbreeding programs with beef breeds since there is a significant incremental value opportunity by marketing crossbred beef x dairy over dairy calves. The adoption of sexed semen is often used to breed the dairy herd's best females to provide replacement heifers with other females, particularly 1st calf heifers, bred to beef bulls.

One area of great economic potential for U.S. dairy producers is the use of Wagyu genetics to produce a calf which

is significantly more valuable than a dairy calf and often more valuable than other beef x dairy cross calves in many markets. There are numerous U.S. buyers willing to pay \$0.20-0.30 per lb premiums above CBT or local market beef prices for Wagyu F1 calves.

Some U.S. dairy producers are receiving a \$100 premium for their day old Wagyu F1 crosses compared to Holstein calves.

Breeding Holstein females to Wagyu bulls is already commonplace in both Japan and Australia with Wagyu x Holstein deemed as the ultimate cross in Japan because Holsteins are the next highest marbling cattle breed behind Wagyu, producing meat superior in quality to Wagyu crossed with any other breed. Most Japanese consumers prefer Wagyu x Holstein F1 cross beef when Wagyu is not available. Wagyu x Holstein F1 cattle currently comprise approximately 25% of the cattle slaughtered for beef in Japan with fed steers bringing 2-3 times more than a Holstein steer.

The Wagyu breed has already revolutionized the Australian beef industry and is well on its way in doing the same in the U.S. The Wagyu breed provides an excellent alternative for dairy producers looking to increase profitability through crossbreeding and diversifying their operations to help supply the demands of an ever-increasing market for beef which is truly in a league of its own. ■