

CENTEX BEEF ALLIANCE

News Release

Central Texas Beef Alliance celebrates successful completion of inaugural pre-conditioned calf sale

Lockhart Cattle Auction hosts pre-conditioned calf sale for CENTEX Beef Alliance

Luling, Texas, November 15, 2007 – Premium prices were realized by calf producers, buyers were able to efficiently complete buy orders, and over 700 weaned and healthy beef calves are headed to stocker and feeder facilities across the U.S. following CENTEX Beef Alliance's successful first pre-conditioned calf sale.

First announced in April, 2007, the sale was a milestone first conceived in January, 2004, when CENTEX, a growing beef producer's organization, consummated its charter and by-laws as a beef alliance. Membership has grown over the past three years reaching critical mass this year, following the 2006 membership drive under the leadership of Del Tally, 2006 President.

Some of the requirements for the sale included strict compliance with [Value Added Calf] VAC 45 [day] vaccination and weaning criteria, as well as "weighing in" two days before the sale. The two days following "weighing in" allowed for co-mingling of same sex, similar weights and confirmation in preparation for Sale Day.

Data on each lot of calves had been distributed to consignors and buyers, prior to the sale. The calves came across the sale ring in lots of 5 to 99 head.

Over 700 calves were sold in only forty-five minutes. This was largely due to good planning and execution by both the CENTEX and Lockhart Auction Staffs. Shortly following the sale, cattle were being loaded as checks were being prepared and distributed to CENTEX Members/Consignors.

Tim Von Dohlen, Sale Coordinator for Lockhart Cattle Auction, commented, "The quality, condition and health of the CENTEX calves went a long way to making the sale successful. Third party verification of the whole VAC 45 process put the buyers at ease for the first sale and will play a large role in continued buyer participation." Von Dohlen added, "The comments from buyers who purchased cattle at the sale have been very positive...the weights of the cattle held together well and the health of the cattle has been excellent."

As a buyer for Capitol Land and Livestock, Jim Schwertner came to the Sale with aggressive buy orders for weaned and preconditioned calves. He reflected, "Third party verification of VAC 45 and the quality of the calves in general pulled top dollar on Sale Day. I saw premiums of \$12.00 to \$18.00 per hundred weights, over non-weaned stock." He added, "The efficiency of buying under lot and truckload arrangements is greater for me. I can cover more territory and serve my customers better."

Another buyer, Rock McMahan, commented, "These are the kind of calves we like for our feedlot operation. Since the Centex Sale in Lockhart, the calves we bought have held up very well, both health and weight. With the margins in our business, we cannot afford to have death losses or calves slow to gain [weight]." Rock is a buyer for McMahan Order Buyers, Austin, and has interest in a feedlot, Bovina Feeders, Inc., Farwell, Texas. He concluded, "We are looking forward to Centex Beef's Spring Sale. Their calves fit our kind of program."

According to calf producer Bill Seeker, "We were able to get a good return from holding some of our calves for this sale." Bill, along with his son, runs a commercial Angus/Brangus cow-calf operation out of Prairie Lee. He went on to say, "This type of sale [pre-conditioned calves] gives us another path to market. We sometimes put together a truckload or use the local sales barns. Having choices or options in today's beef calf or replacement heifer business is a good thing." Bill also reflected on the dry fall, and wished it would have rained before the sales date, instead of just afterward. He concluded, "Oh well, that is just one of the challenges in our business. The weather is a constant variable."

Spokesperson John M. Davidson, DVM, and current (2007) President of CENTEX Beef Alliance said, "This sale marked the introduction of a new and unique marketing opportunity for calf producers in our area. Small and medium size cow-calf and stocker operators can now increase their chances for good financial returns out of weaning and sound animal health plans. The results of our first sale, November 15, are very encouraging, and we plan to go forward with future sales."

CENTEX's next sale will be May 20, 2008, Lockhart Cattle Auction. The timeline for preparing for the sale will be as follows:

Weaning Date (off mothers)	- by April 5, 2008
First Round of Shots & Dewormer	- 3 weeks before weaning up to weaning
Second Round of Shots	- at least 2 weeks prior to sale
Delivery to Lockhart Auction	- by May 17, 2 PM (deadline)
Weigh Day	- May 17, 2008
Sale Day	- May 20, 2008

NOTE: Membership in the Centex Beef Alliance and VAC 45 protocol are prerequisites for participating in the sales.

A membership meeting and educational program will be offered for CENTEX members and other interested beef cattle producers, Tuesday, February 19, 2008. The meeting will be considered an important part of a membership drive, so there will be additional information on other programs and future plans. 2008 Programs will likely include specific results of this years Sale, genetics, nutrition, VAC 45 and animal health in general. To get on the mailing list, you must be a member of the CENTEX Beef Alliance.

A co-mingled preconditioned calf sale is another marketing option for calf producers. Careful planning, management and specific resources are necessary to produce a value added calf. Identifying the right channel to market at the right time is a critical step in the process.

Those serious about utilizing or starting a Value Added Calf (VAC) marketing strategy with their beef calves should visit the CENTEX BEEF website at www.centexbeef.org, or call 512 398 3476 (Lockhart Cattle Auction) or email lockhart-cattle@sbcglobal.net for more information.

About CENTEX Beef Alliance

Centex Beef Alliance is a nonprofit organization, composed of independent beef cattle producers and agribusinesses with an interest in the beef industry. Its headquarters are in Luling, Texas, and serves several Central Texas Counties. The organization is working to enhance the quality of Texas beef and developing a unique marketing channel for producers of pre-conditioned beef calves. Calves must meet practical requirements, such as VAC 45 (Value Added Calf) program which is a properly designed vaccination protocol that helps reduce medicine costs, produces healthier calves, and enhances production efficiency which in turn improves beef quality.

CENTEX Beef Alliance also supports and sponsors Texas Beef Quality Assurance, and works closely with County Extension Agents to improve communication with small to medium sized beef calf producers. Several informative and learning experiences are offered is each year in collaborations with Texas Cooperative Extension, Luling Foundation Farm, and other beef industry organizations.

About Lockhart Cattle Auction, Inc

Lockhart Auction has been providing marketing and production services from its current location since 1971. The owners, Billy Schwertner, Jim Schwertner and Tim Von Dohlen, have many years of livestock expertise and strive to help their customers have the best possible marketing experience. Their availability to receive cattle and assist cattle producers seven days a week, demonstrates Lockhart Cattle Auction's commitment to their customers and the cattle industry.

About Luling Foundation Farm

Many years ago Edgar B. Davis had a vision about the potential of farming and ranching in the greater areas of Caldwell and surrounding Counties. That vision is being realized today due partly to the on going support and mentoring provided by the Luling Foundation Farm. Established in 1927, it has grown in resources and experience and stands as a shining example of Mr. Davis's strong desire to give back to the community and help grow the agricultural economy.