

# Supplying the Brand

McCully presents CAB, supply development overview at NAILE.

by Micky Wilson

Cattlemen interested in supplying the Certified Angus Beef® (CAB®) brand filled the meeting room to capacity Nov. 12, 2006, during an informational forum at the North American International Livestock Exposition (NAILE) in Louisville, Ky. Mark McCully, Certified Angus Beef LLC (CAB) director of supply development, presented an overview of supplying the brand to attendees of the forum, which was scheduled amidst Angus activities at the NAILE.

He began with a brief history of the CAB brand, which was started in 1978 with founder Mick Colvin managing the business out of his home. Since 1985, demand for CAB has grown from 25 million pounds (lb.) to 545 million lb. in 2006. As part of that growth, McCully said, the CAB brand logo has achieved a consumer awareness level of 86%. Of that segment of consumers, 87% buy the brand.

## Recognizing premiums

A constant topic of conversation, McCully discussed the growing Choice-Select spread, quoting a \$22-\$23 difference between the two quality grades. And the CAB premium is an additional \$8 above that, he said. But for more producers to recognize those premiums and to expand CAB supply, more cattle need to be identified for the brand.

"Currently, 55% of the cattle population is black, and that number is growing," McCully said. Of all black-hided cattle, 14% meet CAB acceptance rates. Only 8% of the entire beef market meets CAB specifications.

The No. 1 reason a carcass doesn't meet CAB specifications is lack of marbling. The small number of cattle meeting CAB acceptance rates and decreasing U.S. Department of Agriculture (USDA) quality grade trends, McCully said, may be due to lower calf health rates, drought conditions affecting animal health and nutrition, the increasing use of distillers' grains and byproducts, aggressive implant strategies, and a slew of other secondary factors.

Continuing with the theme of garnering premiums from Angus cattle, McCully introduced attendees to two CAB brand extensions: CAB Prime and CAB Natural.

## Specification update

Many Angus breeders are well aware of the CAB specification updates, but McCully touched on them as a refresher and

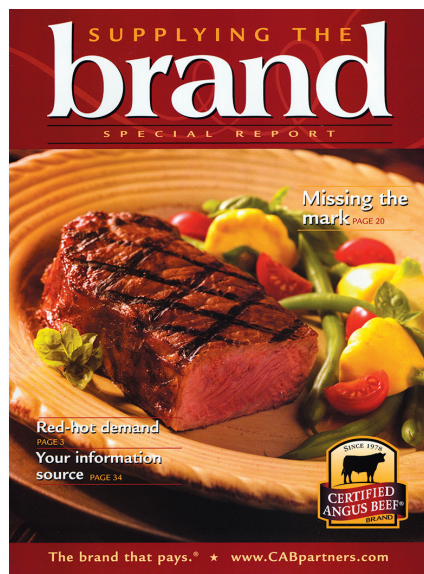
introduced the new backfat specification. The specifications are as follows.

- ▶ "Angus-type" cattle, 51% black; or AngusSource®-enrolled cattle
- ▶ Modest or higher degree of marbling
- ▶ medium or fine marbling texture
- ▶ "A" maturity
- ▶ ribeye area within 10-16 square inches (sq. in.)



PHOTO BY SHAUNA ROSE HERMEL

▶ Mark McCully, Certified Angus Beef LLC director of supply development, spoke to cattlemen about supplying the brand during the NAILE in Louisville, Ky.



▶ McCully introduced *Supplying the Brand*, a publication detailing how producers can further their efforts to supply the brand with cattle meeting CAB® brand specifications.

- ▶ hot carcass weight of 999 lb. or less
- ▶ backfat of 0.99 in. or less
- ▶ moderately thick or thicker muscling characteristics
- ▶ no hump on the neck exceeding 2 in. in height
- ▶ practically void of internal hemorrhages
- ▶ no dark-cutting characteristics

McCully explained that the specifications for ribeye, backfat and carcass weight replaced the former Yield Grade (YG) 3 specification to improve consistency of boxed beef products. While yield grade attempts to classify quality, there can be a great deal of variation within a given yield grade.

He explained that specifications were adjusted to improve consistency, where consistency cannot be addressed by yield grade because of changing fabrication styles, the continued increase in carcass weight, and the coming implementation of instrument grading.

## Supply development update

McCully then gave a supply development update identifying the division's core strategies:

- ▶ Research genetic and management practices to identify the most significant factors affecting CAB supply.
- ▶ Coordinate relationships and information exchange through all sectors of beef production, from seedstock producers to the packing side.
- ▶ Communicate findings, determining factors appropriate to industry sectors and demonstrating economic effect and significance.

McCully noted that CAB is improving coordination with its Feedlot-Licensing Program (FLP), and that producer education opportunities are available through the CAB Brand Builders seminars, newsletters and sale book inserts, customer education events, feedlot alliances, "Licensee for a Day" opportunities, and "Targeting the Brand" logo usage.

Additionally, a special report, titled *Supplying the Brand*, was introduced during the NAILE. For more information, visit [www.cabpartners.com](http://www.cabpartners.com).