

by Mark McCully
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Some things stay the same

It's January, and that often means setting New Year's resolutions, planning and looking forward to the changes ahead.

I like the idea of a clean page at the beginning of the year — the endless possibilities, the goal-setting, the drive to achieve more. It provides a reason for each of us to think about the future and plan our steps as we work toward that future.

We spend a lot of time thinking and talking about change. What will be different? What new technology is on the horizon? What changes should we anticipate to be ahead of the curve?

In the beef business, and in life really, those things are incredibly important. Yet I'm not sure we spend enough time talking about what's not going to change.

What things are fundamental to our business, to our Association and to the Angus breed? We must not lose sight of the foundational things that change is built upon.

Functional fundamentals

One of the most important fundamentals is our focus on quality. Prior to the '70s and '80s, the cattle business was focused on lean gain, and it was just that — the “cattle” business, not the “beef” business.

We weren't necessarily paying a whole lot of attention to who was ultimately going to consume the

product we were producing. We were about producing cattle.

This business has changed in such a huge way in a relatively short period of time. A pioneering mindset shift came when Angus breeders started focusing our industry on beef.

Today, we are delivering the highest-quality product our industry has ever delivered to the consumer. More than one in five of all fed cattle qualify and make it into the *Certified Angus Beef*® (CAB®) brand. As an industry, we realized what we do on the cattle production side ultimately lands in the center of someone's plate, and that's not changing.

Many of your customers ask, “But do we need more quality?” Cattlemen wonder whether the market for a high-quality product is saturated and whether the incentives and premiums will go away.

While that's a valid question, I think we can look at history for the answer. In the last 11 years, we have doubled supply of CAB from 3 to 6 million head. At the same time, the grid premium for CAB over Choice has gone from \$4.50 to almost \$11 per hundredweight (cwt.). That tells me if you build more, you access more customers and demand will continue to grow.

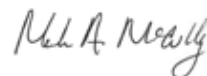
That's good news for cattlemen who continue to invest in the kind of genetics that deliver CAB-quality beef. Still, there's a need to focus on other fundamentals, as well.

Cows need to work in any environment. She needs to breed and raise a big, heavy calf. Bulls need to be sound and functional. That calf needs to go on and grow efficiently and produce a quality product in the end. All of this needs to happen in a profitable way.

Ultimately, balancing a functional cow herd with a quality mindset is achievable. You have a need for tools and data that help you make good decisions to keep those fundamentals moving forward. Those tools are more powerful than they ever have been before, and that won't change in the future.

For the Angus breed, we will always be looking to stay ahead of the industry, but we won't lose sight of the foundation the Angus breed has built: a quality-focused, profitable and functional cow herd.

That will never change. 



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