

MAKING LIFE EASIER FOR EVERYBODY

McCully shares how being helpful is a sound business model.

by Miranda Reiman, senior associate editor

Solving a problem is a proven business strategy. Successful companies from Amazon to Uber have followed the model that making life easier for their customer flat works.

Mark McCully, CEO of the American Angus Association, opened the 2022 Angus Convention Nov. 5 in Salt Lake City, Utah, by recounting the decades of solutions the breed has provided and predicting its future is in doing more of that.

“How can we bring products and services that have value, solve problems?” he asked.

Returning rented videos to the store used to be a pain. Netflix, sending movies by mail, fixed that.

“But they didn’t stop there. They continued to evolve,” McCully said, noting the streaming services that are commonplace today.

Angus breeders have historically eliminated problems for their commercial producers, and they need to continue to do so. Cattlemen need to solve challenges for consumers.

“What are the problems? Where can we provide solutions to the bigger beef industry as a whole?” he asked.

IN THE RIGHT DIRECTION

The story is retold often because it’s one of the great successes of the breed: using Angus genetics to



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correct beef demand problems of the 1980s and 1990s.

“We shifted our focus. We made improvement in our product. We took away that variability and inconsistency that we heard about from our consumers, and we made our product better,” McCully said.

In the last 20 years, margin has returned to the beef business, he noted, presenting a CattleFax chart that shows the cattle business from cow-calf sector to harvest made \$305 per head last year. It was \$32 from 1980 to 2000.

There’s still room for improvement on distribution of those margins, McCully suggested, but it’s still worth celebrating the growing dollars.

“We went 20 years back in the ’80s and ’90s at a breakeven business at best,” he said. Then quality got better, and consumer confidence increased. “We used Certified Angus Beef as a target. We’ve used registered Angus genetics as the fuel to hit that target.”

From 2011 to 2021, Select production decreased by 48%, premium Choice increased by 57% and Prime jumped by 217%. In that same time frame, the Choice-Select spread doubled.

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THE LIST IS LONG

With every challenge tackled,

US AGAINST THEM

With less than 2% of the population involved in agriculture, it can feel like an “us against the world” situation sometimes.

“That’s not the way it is,” McCully said. “You’ve got an army out there that’s just chomping at the bit to talk about what you do, to talk about the brand and advocating for you and sell more beef.”

He shared an example from a recent Certified Angus Beef educational program, where Dan Dillabough, from Sysco, attended the CAB Master’s of Brand Advantages and then posted an open comment to Angus breeders on his Facebook page.

“You have my commitment to sell as much Angus as possible,” the note reads. “You have my dedication to explain your hard work, your care of the animals and the land, your passion for what you do every day.”

there are more waiting in the wings. McCully pointed to ways Angus can help address some of the most popular problems of the day:

Balance. Trying to breed the optimal cow that also creates the ideal carcass is a big task and an age-old dilemma, McCully said. Yet, the tools today are better for the job than ever before.

“The diversity we have in our gene pool — we’re so fortunate we’ve got a big gene pool with lots of data,” he said. “As we harness that diversity with the tools, with the technologies, with the right mindset, I think we have an opportunity to solve this balance problem.”

Labor. “No one has extra labor, no one has extra time,” McCully said. “And I think as we’re building our Angus cattle, we need to make sure that we’re as laser-focused on those traits to make sure that the Angus breed is as problem-free as ever before.”

Continued pressure on maternal function, disposition and structure helps create problem-free cattle.

Inflation. As costs go up, traits like feed efficiency become even more important, but McCully said the best way to inflation-proof a herd is to increase demand.

“I’m not sure how much more we can gain on the cost-cutting,” he said. “I don’t believe you can starve a profit out of a cow. As we move forward, the margin is not going to come from cutting costs. I think it’s going to have to be from growing our top line.”

Angus confusion. “The marketplace is as noisy as it ever was,” McCully said.

That’s true when selling beef or bulls, and that’s why CAB simplified its marketing down to a one-liner: “*If it’s not Certified, it’s not the best.*”

Black-hided doesn’t mean what it used to. When selling bulls, the *Powered By Angus*SM program allows breeders to identify cattle backed by the Association’s database, resources and programs. The Angus Media team is ready to help each breeder build their own brand and use marketing methods from traditional

Continued on page 110

to new media, McCully said.

A noisy marketplace is also characteristic of the cow-calf segment.


“Definitely for our commercial customers, there was a time when just making them black-hided was going to guarantee you a premium in the marketplace,” McCully said. When 75% of the cow herd is black, those days are done. That’s why the AngusLinkSM programs exists, to help describe the genetic merit of Angus-sired cattle, to help our commercial producers elevate in a noisy marketplace,” he said.

Inspiring the next generation. Profit is a big motivator for young

people to return to agriculture, but McCully also pointed out the work the Angus Foundation does to encourage young people in the business.

“They’re energetic. They’re excited, and they’re going to take us to new heights,” he predicted.

Innovations are often born from brainstorming, and Convention provided opportunities to do that.

“Maybe the most valuable thing we can do is draw our perspective, talk to others that maybe have a little different experience, maybe have a different vantage point on this business ... growing that perspective is so, so important,” McCully said. 

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