

from the office

LEAD IN

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Beef grading is again the topic of much discussion. This often occurs when beef production is marginal or unprofitable. Today, as in years past, some people believe that changing the grading system will cure production or cattle breeding problems such as the present over-production of fat beef. Past experience tells us that this is not possible. What's more, acting upon this reasoning could have long-range adverse effects upon the entire beef industry.

The Grading and Inspection Committee of the National Cattlemen's Assn. is studying beef grading. NCA was also a co-sponsor of the recent National Beef Grading Conference at Ames, Iowa.

There is never anything wrong with evaluating a system such as grading to see if it functions efficiently so long as the evaluation is objective, unemotional and based on appropriate criteria. The National Beef Grading Conference presented a lot of good information and provides food for thought and some of the basis for re-evaluating the current grading system. However, it was clear that some members of NCA's Grading Committee and NCA of-

ficials had decided before the Beef Grading Conference that the amount of marbling required for the choice grade should be reduced again. NCA officials plan to establish NCA policy on beef grading at the NCA convention in Phoenix Feb. 3-5 and to start trying to change the beef grading system shortly thereafter.

Improvement Sought

Information presented at the Beef Grading Conference indicates that beef yield grading may be improved by simplification of the process by utilizing external fat thickness and rib-eye area only in determining yield grade. Most participants in the conference thought carcass weight could be deleted from the yield grade formula and percent kidney, heart and pelvic fat could be deleted if the kidney fat was removed on the kill floor.

Information also was presented that young cattle fed high-energy rations for 100 days or more would have very desirable beef even if they had slightly less marbling than required for choice grade. However, information presented by Gary Smith of Texas A&M University clearly showed better eating quality of steaks from the rib and loin as you improved the grade from good to choice to prime.

The problem graders have is they only see the carcass and have no idea of the genetic or environmental background. Under these circumstances, marbling has been a useful tool; however, it may be possible to get the same assurance of minimal eating quality by using a combination of a minimum fat thickness and a slightly lower degree of marbling as an alternative to reach minimum choice grade.

Other Areas of Discussion

Other factors discussed at the Beef Grading Conference included new technology in treating beef and slaughtering cattle. It was pointed out that the current grades are inadequate in describing factors important to meat processors who buy primarily low-quality beef. It also was sug-

gested that new terminology might help improve prices of lower grading beef.

Angus cattle generally are recognized to out-marble all other breeds, so some observers may question whether the Angus breed can be objective about marbling. However, the most important asset of Angus cattle is their production efficiency at the producer level, with marbling an added bonus. The future success of the Angus breed depends, more than anything else, on the general good health and well being of the beef industry. The soundness of the beef industry will determine the price we receive for Angus bulls. Therefore, it is important that any stand the American Angus Assn. takes on beef grading be based on what is good for the entire beef industry.

The beef industry has just come through a liquidation phase. It now needs—and is psychologically primed for—the generally profitable building phase of the cattle cycle. But as we started to expand numbers, the general economy underwent tremendous pressure, which increased production costs and decreased disposable consumer income. At the same time, we had to compete at the meat counter with greater amounts of cheap pork and poultry supplies, and with the introduction and promotion of new poultry products, and a greatly expanded pork promotion program.

Need to Improve

We obviously need to improve the financial position of producers and feeders by increasing demand and reducing costs. So do we change the grading system? No! That's what some backers of a grade change believe, but they are wrong. We may need to change or improve the current grading system. But changes should only be made to improve the grading system and our use of it, not because feeders or anyone else is losing money.

Grading, as it was designed, is supposed to sort a product into categories that have

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similar characteristics in order to enhance trade, standardize market reporting and improve communication between producers and consumers. If the price differential is great enough to make production of a more expensive product profitable, then that product should be produced. If the price differential is not great enough to make production profitable, then production should fall, and the price and supply should adjust until an amount is produced that is consumed at a profitable level.

It would be a great mistake for the Grading Committee or the beef industry to assume that all consumers of beef want exactly the same product or same grade. If we try to force them to take one grade, we undoubtedly will see decreased beef demand. The inclusion of lower quality beef under the choice label could back-fire and result in reduced desire to eat beef and bring a further weakening in beef demand.

Too Much Fat

Looking at the current price break on yield grade 4's, it is clear that we are producing too much fat. However, it is not true that consumers want all lean beef. Even low-quality beef products require significant fat to be acceptable. For instance, bologna is usually 28% fat. In hamburger

we want at least 20% fat, and much of the hamburger is merchandised with 30% fat. Research at Iowa State has documented that extremely lean ground beef does not sell well. Also, it is interesting to compare the average percentage of fat in choice yield grade 2 cattle (approximately 22%) with the desirable fat content of hamburger. Under our current system, the production of yield grade 3's and 4's supplies trim fat that can be mixed with leaner beef from cows, bulls and imports.

Beef consumption was built to more than 100 lb. per capita (carcass weight basis) under a fed beef system. Several researchers now contend that acceptable quality beef can be produced with less feeding and lower marbling. But even their data shows that, as you lower the marbling grade from modest to small to slight, an increasing percentage of the beef is unacceptable. Moreover, their data is usually produced under ideal situations that include controlled cooking, trained taste panels and meat from cattle with the same genetic and environmental background. It is probable that an even greater percentage of beef would be unacceptable to actual consumers if we lowered the grade standards. In the real world, beef comes from every conceivable genetic and environmental background and represents cattle of all ages. Further, the various methods and degrees of cooking used could also have a strong effect on the acceptance.

The acceptability of lower quality beef has received much discussion. Just what does acceptable mean? Most trained taste panels rank beef from one to nine on several traits, including overall acceptability. Many researchers assume beef is acceptable if it receives a score of five or higher. However, in the real world, acceptability is a function of price. If you give it away, almost all beef will be "acceptable." But when price becomes a factor, you must offer a better product for it to be "acceptable" at higher prices.

Obviously, we must receive higher prices for beef, which means we must either cut supply or increase demand. We also can decrease our cost of production somewhat by marketing earlier, but the supply-demand relationship must establish the value of this short-fed product. We won't get by with putting the choice label on short-fed beef. If all graded beef is labeled the same and a higher percentage of short-fed beef is unacceptable, then the result will be decreased demand for all beef in that grade.

There may well be a need for USDA grade changes at this time. But changes must be made to make the grading system do better what it was designed to do. If we make changes expecting them to cure our current production problems, we could end up making the situation much worse in the long run by decreasing consumer demand for beef. 