



Lead In

by Richard Spader, executive vice president

Premium for Angus-influenced cattle is no fad

An auction market manager and friend of mine recently shared an observation about the current fad of paying more for black-hided cattle. While he admitted most black-hided cattle have added demand, he said, "It in no way equals the demand for superior Angus and Angus-sired cattle."

I realize this is one auction market and one manager, but the fact remains that cattle feeders and packers understand the beef business well. The same holds true for commercial cattlemen when they are buying bulls to improve their herds. They know that some breeds of cattle that have incorporated black into their genetic makeup don't perform any better in the pasture, in the feedlot or on the rail than they had with their natural color.

Most astute cattlemen know that about 20% of Angus-

influenced cattle that come to market meet the rigid specifications of the Certified Angus Beef (CAB) Program on the rail. No one needs a reminder that using an Angus bull on a herd of mixed-blood cows won't guarantee all the offspring will grade USDA Choice, let alone qualify for the *Certified Angus Beef*[™] brand.

■ Economic reasons

The fact remains, cattle buyers pay more for Angus, when they have to, because of economics. Most cattle feeders and packers have seen at least a load of high-quality Angus steers grade 90%-95% Choice with 40%-50% of the carcasses meeting *Certified Angus Beef* product specifications. On a daily basis they see Angus-influenced cattle producing a much higher percentage of Choice beef than other breeds.

On the other side of their business, they see consumers demanding high-quality beef as they leave Select product in the meat case.

When this article was going to press, the *USDA Market News* quoted Choice 600- to 750-pound (lb.) carcasses at \$106.06/hundredweight (cwt.). The same-type carcasses grading Select were quoted at \$95.79 — more than a \$10/cwt. difference, or a \$70/head premium on a 700-lb. carcass.

Given this, it's no fad that buyers can afford to meet the competition and pay \$5/cwt. or so premium for 500- to 600-lb. Angus-sired steers. Their customers, the packers, know there's a hefty premium for every animal that makes the Choice grade, not to mention the even higher value of cattle that meet *Certified Angus Beef* specifications, so they pay more for finished Angus steers.

■ Bright future

One can't argue with the figures; they are accurate. What the industry also fails to recognize most of the time is that while overall market share for beef is now being reported as stabilized after years of decline, the demand for *Certified Angus Beef* product continues to grow. Sales are expected to exceed one-half billion pounds in fiscal 2000. Consumer demand is outstanding, and the growth continues in foodservice, retail, export and value-added products. The CAB Program has proven what can be accomplished if consumers are given a consistent, high-quality eating experience with beef.

For far too long the beef industry in this country has appeared to ignore the needs of consumers, going about its business as if the consumer knew nothing about beef quality and taste and would buy and like whatever was offered. Now we are in a desperate race to rectify the harm that has been done.

■ Tools address needs

Fortunately the Angus breed never fully succumbed to the myth that consumers really preferred low-quality beef. Many Association members have long been evaluating bulls for carcass merit. This is best observed in the number of bulls with carcass information in the Spring 2000 *Sire Evaluation Report*.

The new ultrasound research underway at the Association is another way that the organization has addressed the needs of identifying superior carcass cattle in the Angus breed. And the Feedlot-Licensing Program (FLP) coordinated by the CAB Program's Supply Development Team has provided a link between commercial cattle production, the feedlot business and the packing industry.

Today the genetics for high-quality beef are more valuable than they ever have been. As we launch into the new millennium, it will be even more important as a breed and an Association that we focus on the traits that have made Angus the leader in the beef industry.

FISCAL YEAR 2000 STATISTICS

Oct. 1, 1999, to Dec. 31, 1999

Registrations & Transfers	1999	% Increase or Decrease*
Registrations	84,803	4.20
ET Registrations	5,503	17.56
Transfers	46,266	15.59
Membership		
Regular Members	729	16.27
Junior Members	407	6.82
AHIR Processing		
Birth Weights	134,126	6.7
Weaning Weights	141,755	10.4
Yearling Weights	21,610	19.3
Total Weights	297,491	9.3
No. of Herds	2,998	2.6

*Increase/decrease is relative to same time period last year.