

Angus at a Turning Point

In the life of every business or product, a major opportunity sometimes presents itself. For a while, often fairly brief, people can dramatically change the perception and use of their product and expand their business.

Many of you recall the Charolais phenomena of the late 1960s and 1970s. The late Jerry Litton, who grew up in the Hereford business, recognized the potential demand for larger, growthier cattle. He switched to Charolais. His natural ability to promote, combined with his ability to immediately fill the demand, started a cattle industry revolution. His and the breed's success created the exotic cattle stampede to the United States.

You can argue whether all this was ultimately good or bad for the cattle industry. What you can't argue is the outcome, and what it did to the long established British breeds, including Angus. The success of Litton and the Charolais breed wasn't preordained. Someone else would have filled the demand in time, just as the Angus breed eventually did. Success came from seizing the opportunity.

Today the Angus business is at one of these significant junctures. Demand for high quality beef is growing. More and more people now recognize that if beef is to compete with other meats for the consumers' dollar, it will have to provide outstanding taste, uniformity and high quality.

A shining example of the potential for beef producers is the Certified Angus Beef Program. The CAB Program is so successful that it has virtually exhausted the supply of available qualifying cattle. What's more, there is grow-



ing demand on other fronts for top quality beef. The U.S. beef industry and the CAB program need more cattle. That will grade USDA average Choice or higher, Yield grade 3 or leaner. This demand is not two or three years down the road, it's today, and growing.

For years, it was popular to bluster, "I will produce cattle with superior carcass genetics when someone will pay for these genetics." That time has arrived. A recent market study done for the American Angus Association by Cattle-Fax shows the CAB Program boosted the average price paid for Angus bulls from \$290 to \$354 per head in 1993. These results predict this price advantage will continue to grow at least through 1997.

This isn't a fad as some would have us believe. The Cattle-Fax researchers found in a second study (reported in

the March *Angus Journal*) that Angus and Angus-cross feeder calves in 1994 brought up to \$2.81 per hundred-weight (cwt.) more, on average, than other breeds and crosses. Despite the fact that Angus bulls cost more, the study found that over the lifetime of an average bull the Angus premium is returned to the buyer 2.6 times through the added value of the calves he sires.

As breeders of registered Angus cattle we have two choices. We can sit back, be complacent, and expect that the growth and good times we have enjoyed will continue. Or we can seize the opportunity. Those who choose the second option will need to breed bulls with the genetics to sire more calves that will meet the CAB Program's carcass requirements. But it won't be enough to just breed better cattle. Superior genetics must be com-

bined with effective, more aggressive marketing.

Every Angus breeder who sells bulls to commercial cow-calf producers should use the Cattle-Fax research information in their advertising. Tell potential buyers that Angus-sired cattle bring a significant premium. Assure buyers that even though Angus cost a little more the extra investment will be returned some 2.6 times during the life of the bull.

It's not uncommon to hear talk about Angus becoming the 'Holstein' of the beef business. Certainly it's possible, but it won't just happen. We must make it happen, and the time to do it is now.

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