

Certified Angus Beef



Hot Dog!

Franks and summer sausage are two new, exciting and healthful CAB products

by Roger Clark

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Oscar Mayer, Ball Park and Kahn's—these and others are all names we have grown up with and been accustomed to as the mainstays of the quick meal and the All-American favorites of summer.

What are they? Hot dogs!

By definition, they are a small diameter sausage that has been treated with a cure, cooked and smoked to a ready-to-eat condition. The only thing they may require is a little warming, a bun and some condiments of choice.

The frank is the typical processed meat product. Frank production utilizes lower priced cuts of both the beef animal and pork animal. Some processors use poultry; most will use some sort of trimmings that are of little value outside the world of processed meats.

These products have proven to be valuable assets to the meat industry. They provide a use for those byproducts of carcass fabrication that wouldn't be of value elsewhere.

The greatest limiting factor where these products are concerned is the creativity of the people in charge of product development. There probably aren't enough pages in this magazine to list all of the products that fall into this category. The most common types are the sausages, both fresh and cooked, large diameter sausages (bologna), precooked roasts, and dry sausages.

For the consumer, these processed products provide not only convenience but a nutritional component of a meal that fits into all lifestyles. Many consumers have the impression that the products are some kind of poi-

sonous brew created to mask the less mentionable byproducts of animal slaughter; when in fact, processed meats are quite the opposite.

The Certified Angus Beef Program has licensed several organizations to produce these products from Certified Angus Beef. Healthy? Yes! Wholesome? Very much so! Necessary? You bet!

Through the 12 years of development of the Certified Angus Beef Program, we have seen sales of middle meats—rib, strip, tenderloin—exceed 80 percent of available product for sale. Conversely, the end meats—pieces of the chuck and round—have somewhat plateaued in sales, hovering in the area of 55 to 60 percent of those available for sale.

Consequently, the licensed Certified

Angus Beef manufacturing/processing firms have begun to utilize those end meats. They've added value to them and are producing what is a very palatable, desirable product for today's consumers while maintaining the convenience and healthfulness also demanded by consumers.

New on the Market

One of the relatively new products that is particularly exciting is the CAB frank produced by Independent Meat Company, Twin Falls, Idaho.

Made exclusively from CAB chuck and trimmings, this frank has been formulated to have one-third less fat and sodium than the limit allowed by the USDA. Other products include summer sausage and beef sticks made by Festival Sausage, Oakland, Ill.

More common are precooked products. Inside rounds, ribs and other items that are cooked before sale have developed a very successful niche in the food service industry.

Restaurateurs have found these products to be extremely economical and desirable from a palatability standpoint.

The bottom line on processed meats is their importance to the meats industry. That is, using those items that have found a home nowhere else. They are products we have grown to rely upon for convenience.

What may be a surprise to all is that they are indeed a very nutritious product to eat. Add to all this the raw material quality of Certified Angus Beef, and these products are hard to beat!



Value-Based Marketing

by Alan Waggoner

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Value-based marketing — exactly what does this new phrase mean? There must be hundreds of different definitions for it, depending upon what segment of the industry you work in.

The value-based marketing concept isn't new to retailers and food service distributors. The retail segment has sold product based on differences in value for some time. A few examples are Select, Choice, Certified Angus Beef or Prime quality grade, and zero, one-eighth or one-fourth inch external fat.

However, it's a new concept for seed-stock producers and cattle feeders. It's also the cause of much discussion.

We know from research, consumer surveys and retail product sales that consumers prefer lean meat that possesses an adequate amount of marbling. Therefore, an entire marketing chain — from breeder to consumer — must be willing to market its products on a pricing system using premiums and discounts to establish the basis for value.

Once a basis for each particular industry segment, starting with the most important — the consumer — is defined, a value can be established. This results in a value-based marketing system.

Focusing at the packer level, definite value differences exist between cattle. The main factors that determine a value difference are sex, carcass weight, USDA quality grade and USDA yield grade. Research by Texas A&M University demonstrated that with quality grade, weight and sex held constant, a YG 2 carcass was worth \$17.63 more than a YG 3 carcass. That same YG 3 carcass was worth \$17.70 more than a YG 4 carcass, based upon product yield differences.

In addition, research showed that a Prime quality carcass was worth \$25 more than an average/high Choice carcass (CAB type). A CAB carcass was worth \$50 more than a low Choice carcass.

Value differences don't start or stop at the packer level. Carcass value can be converted to a live basis and reveal differences between and within feedlots, commercial herds, cattle breeds and even between individual animals.

What are some of the obstacles to overcome in order to establish a value-based system that results in a product which satisfies consumer demands?

In a recent paper presented at the 1990 American Meat Institute/Food Marketing Institute Meat Marketing Conference, Gary Smith of Colorado State University identified several key issues that must be appropriately addressed in order

to establish a true value-based marketing system. A summary follows:

1) The beef industry must continue to address the diet/health, food safety and general public image of beef.

Currently, cattle producers' beef check-off dollars are being utilized most successfully at the state and national levels in educating the consuming public. The Certified Angus Beef Program has established a wide variety of promotional materials available to CAB licensees which assist in informing, educating and maintaining a high profile for Certified Angus Beef.

2) Retailers must demand a closer trimmed product, changing their guidelines and buying specifications to an external fat thickness of no more than a quarter-inch while maintaining or increasing the present quality level.

Oxford Trading Co., of Boston, Mass., demonstrates one example of this demand through purchase of a quarter-inch trimmed Certified Angus Beef product from Kenosha Beef International, Kenosha, Wis. Additionally, Wichita Boxed Beef, a subsidiary of BeefAmerica, Omaha, Neb., produces a maximum three-fourth inch trim product on middle meats.

3) The line of distinction between yield grade 3.99 and yield grade 4 should be changed from present allowable external fat thickness of 0.8 inches to 0.6 inches, which is presently representative of a preliminary yield grade of 3.5.

Currently, the Certified Angus Beef Program is conducting a "consist study" to determine the composition of the CAB carcass population.

Preliminary data indicates a concern for those carcasses which have a final yield grade greater than 3.5. A yield grade 3.5 is within CAB specifications; however, if a value-based system is ever to be implemented and closely trimmed products produced, these upper-range, problem carcasses may need to be eliminated.

This should be an industry-wide concern, not just a concern of the Certified Angus Beef Program. This single change would have a drastic effect on reducing the amount of trimmable fat and, in turn, facilitate the production of leaner cattle.

4) Purebred producers need to begin the cumbersome task of considering leanness and marbling traits as combined characters. Because the two traits appear to be negatively correlated, genetic evaluation will be difficult if both are considered separate characters.

The American Angus Association and the supply development division of Certified Angus Beef are both working to help cattle breeders identify superior genetics through carcass data collection, sire evaluation and development and carcass expected progeny differences (EPDs). 