

On Track for the '90s

Retailers and beef industry experts set a course for Certified Angus Beef.

by Jerilyn Johnson

New ideas, up-to-date information, expert opinions and enthusiastic optimism were shared at the 1990 Certified Angus Beef (CAB) National Retail Conference.

This year's conference, held May 3-5 at Texas A&M University, College Station, was designed to allow interaction between licensed CAB retailers, distributors, packers and beef industry experts. Approximately 75 people attended.

After a welcome reception and CAB product testing, conference attendees got down to business. A power-packed lineup of beef industry experts, including Gary Smith, John Francis, Dell Allen, Elizabeth Wunderlich and Jeff Savell, presented their thoughts on beef safety assurance, carcass value, packer quality control, branded beef trends, and promotional and merchandising programs.

Conference participants were also given the opportunity to tour Texas A&M's Rosenthal Meat Science Center, one of the finest teaching and research facilities in the country.

Later that evening, conference participants boarded a bus and drove to New Ulm, Texas for a roundup at 4D Angus Ranch. A Texas-style barbecue, catered by Edd Hendee, Taste of Texas restaurant, Houston, and lots of entertainment were enjoyed by all.

The conference continued on May 5 with up-to-date information for retailers and round table discussion between retailers and CAB personnel. Topics covered included tray-ready beef, modern packaging concepts, the CAB Consist Study, and CAB premium programs.

Following are excerpts of CAB Retail Conference featured speakers:

Mike May, USDA chief of standardization
"The Role of USDA in the CAB Program"

USDA and the CAB program seemed like strange bedfellows back when we started in 1978, May says. Today, after years of development, education and personnel training, USDA and CAB work well together in inspecting and grading CAB accepted slaughter cattle.

USDA's perception of CAB's role is:

1. Evaluate potentially superior black cattle.

2. Evaluate their carcasses for "selected" traits.

3. Market qualifying carcasses or cuts for true value.

"I believe CAB is looking for true value for a true product," May says. "It's a good alternative to Prime beef, especially for discriminating consumers desiring superior meat quality. It presents a more precise segregation of quality than current Choice beef. Most of all, it's extremely beneficial to the consumer and marketplace."



Jeff Savell, Texas A&M University meat scientist, explained the composition and value difference in beef carcasses at the CAB Retail Conference.

Bill Mies, Texas A&M University
"Why are Only 20 Percent of Eligible Carcasses CAB Certified?"

When the purebred and cow-calf producer's target goal is calf weaning weight, frame and sale barn profit, not the final end product, carcass quality suffers.

"We threw cattle in one big box and sold them for one price," Mies says. "It wasn't until the 1980s that we began to recognize the economic signals."

Mies believes producers in the '90s will have to concentrate on carcass quality, marbling and feed efficiency. He also believes the CAB program is the first sign of change.

What the industry won't see right

away is grade changes or a further lowering of grading standards. "Until we segment the market," he says, "averages are the name of the game."

Jeff Savell & Davey Griffin, Texas A&M University
"Composition and Value Differences in Beef Carcasses"

Close trimming of retail cuts is the most important improvement in the livestock industry over the past 30 years, Savell says. The quarter-inch trim was the result of consumer demand. Today, 42 percent of retail cuts have no trimmable outside fat; 70 percent have no bone. Seam fat is the bigger problem now. Seventy-five percent of the fat left on retail beef is seam fat.

"First, we must make sure that the beef industry's definition for "lean" beef matches the consumer's concept," Savell says. "Our surveys show consumers define lean as beef with little or no external or seam fat, regardless of marbling level."

In order for boxed beef to be successfully marketed, we will have to reduce the variation of beef quality and get more consistent yields. "We also need more consumer-friendly products," Savell adds.

Jeremy Taylor, Texas A&M University
"Will Biotechnology Influence the Cattle Population?"

With only 20 percent of the beef cattle population meeting CAB requirements, Taylor says we need to look at three strategies: 1. carcass trait EPDs; 2. genotype; and 3. value-based marketing.

Because carcass trait EPDs are slower and more difficult to determine than other traits, Taylor recommends that industry researchers look at genotype identification. A marker gene study at Texas A&M would screen cattle at birth to help breeders and producers make early management decisions. Biotechnology advancements will be a powerful tool and incentive to improve beef carcass quality.

"Still, we have to avoid extremes and keep a balance of traits," Taylor adds. "When you make genetic changes you have to realize it's a long-term change. The time factor is hard to control."

Gary Smith
Colorado State University
"Current Myths of Beef"

Food safety is an essential element of quality and is of particular significance to modern consumers. Despite processors' increasing ability to ensure safe food, consumers continue to have concerns about certain aspects of food safety.

They tend to be concerned about things they cannot see, smell or taste. As a result, they feel they have little control over things such as chemical and pesticide residues and microorganisms.

Smith quoted Amy Barr of the Good Housekeeping Institute, whose consumer rule is:

*Don't hurt me
Don't cheat me
Don't lie to me
Just listen to me.*

Smith also quoted Dr. Sanford Miller of the University of Texas Health Sciences Center, San Antonio, who said: "There simply is no public health problem with pesticide residues. The real risks in the food supply are microbiological hazards. Actuarial risk for illness from microbes is one in 100, while risk of illness from pesticides is one in 1 million."

Consumers' perceived threats of food safety include: 1. spoilage and germs; 2. tampering; 3. improper packaging; and 4. pesticides and chemicals.

Scientists rank food safety hazards in the following order, illustrating that scientists' beliefs and the public's perceptions aren't always in agreement: 1. microbiological; 2. nutritional (overconsumption or poor food choices); 3. environmental contaminants; 4. natural toxicants; and 5. hazards from pesticide residues or food additives.

Smith cited studies that show pesticides, antibiotics and growth hormones are not a threat to our food safety. "There are fewer pesticide residue problems today than 30 years ago," he says. "Less than 1 percent of our food supply exceeded FDA tolerance levels."

In addition, a 1989 study conducted by the National Academy of Sciences showed that there is no present risk with subtherapeutic level antibiotic use in animal feed. The Academy stated that "there is no direct evidence (this practice) creates an excess risk of disease or death in humans."

Nevertheless, the nation's cattle feeders haven't resumed the practice of feeding low levels of antibiotics in cattle rations. Most discontinued this practice back in 1986, when public concern was high and NCA president Jo Ann Smith

urged producers to stop.

Public concern that implanting steroid-type hormones, such as estrogen, into market steers can be hazardous to our health is also a myth, Smith says.

"The average, non-pregnant human female produces 480,000 nanograms of es-



A comedy skit, conducted by Elizabeth Wunderlich, Texas Beef Industry Council, and Ray Riley, Texas A&M University meat scientist, gave a light-hearted look at consumer-retailer beef merchandising and the hazards of miscommunication.

trogen each day, he says. "The increased body load of estrogen occasioned by eating 3 ounces of beef from an implanted steer — a total of 480,001.9 nanograms — vs. eating 3 ounces of beef from a non-implanted steer — a total of 480,001.2 nanograms — is of no physiological or medical consequence to the consumer."

John Francis & Matt Wineinger
National Live Stock & Meat Board
"Promotional Plans for the '90s"

"There's a black hole of information out there," Francis says. "We need to shed some light on the subject. To get to the point of value-based marketing, the beef industry needs to reduce trimmable fat by 20 percent and increase lean meat by an additional 6 percent."

What's a half-inch of fat worth?

Francis compared retail market values for commodity beef and trimmed beef. The market price of commodity beef is approximately \$1.45, while trimmed beef is \$1.79. The percent gross margin of commodity beef is 40.2 percent; trimmed beef, 35 percent. The net margin per hundred-weight of commodity beef is \$91.22; trimmed beef, \$93.16.

A national advertising and point-of-purchase campaign for beef chuck cuts is already underway this summer.

"It's designed to keep customers around the meat case longer," Wineinger says. "Our goal is to keep meat cases full, add full service and create excitement for our product."

Elizabeth Wunderlich
Texas Beef Industry Council
"Ideas on Merchandising Beef"

"The working woman invented today's convenience industry," Wunderlich says. "To meet their needs, service-oriented businesses are growing, along with convenience food markets.

People today buy for: 1. convenience (convenient products, service, reduced stress); 2. taste; 3. price; and 4. health. At the same time, of the 10 major food trends cited by restaurants and food service institutes, flavor is still No. 1 on the list.

Dell Allen
EXCEL Corporation
"Quality Control Concepts"

Quality control is now known as quality assurance, says Allen. He believes it has been forced on us by a failure in American business. Japan borrowed our system, then excelled to become our main competitor.

"Quality is not indefinable," he says. "It's nothing more than conforming to performance. In reality, we shouldn't have to have quality control departments. Do what you're supposed to do the first time — don't catch it at the end or hear from the consumer about it."

At EXCEL packing plants, complying with USDA inspectors and setting their own strict requirements have become top priority. Developing safer products, such as boneless beef cuts, increasing shelf life of products, and decreasing spoilage sources are equal in importance.

Today, EXCEL offers vacuum-packed beef products that, when stored at 32 degrees F., have a shelf life of up to 35 days.

CAB Retail Facts

- 612 CAB retailers located in 34 states.
- 13 CAB retail distributors; 20 licensed CAB food service distributors selling retail.
- 288 retail accounts feature CAB exclusively. These account for 44.3 percent of total licensed CAB retail stores.
- 100 percent CAB retail outlets account for 79.8 percent of the CAB sold at retail.
- Retail sales currently represent more than 50 percent of CAB sold.
- 39 million pounds of CAB sold by retailers during the past 12 months.

