

VALUED

*partnerships*

IN CERTIFIED ANGUS BEEF PROGRAM



# The Ultimate Alliance

THE SPECIAL SYNERGY CREATED BY THE CERTIFIED ANGUS BEEF PROGRAM IS HELPING LEAD THE U.S. BEEF INDUSTRY TO THE PROMISED LAND OF SATISFIED CONSUMERS AND PRODUCER PROFITS.

**It's** a dream that came true. It's a feat most thought the industry could never achieve. It's a basic belief employed in a complex system. It's the realization that when people work together, the result is far greater than their individual capabilities. It's the synergy created by the Certified Angus Beef (CAB) Program.

Seventeen years ago, the American Angus Association took a leap of faith based on the theory that Angus breeders could successfully market a consistent, high quality beef product by forming alliances with every segment of the beef industry. Using determination and integrity as its foundation, the Association formed partnerships to build a branded beef program that has reaped rewards for everyone — from producer to consumer.

These partnerships have evolved gradually and carefully. Potential partners have been, and continue to be, scrutinized for similar philosophies and business values. Some partners were quick to see the benefits and charged in with full force. Others watched and waited, eventually realizing the potential the CAB Program offers.

CAB Program now enjoys a vast network of valued partners working together to exceed customer expectations. Within the production segment, the program's supply development division facilitates alliances between purebred producers, commercial producers and feeders to evaluate sires for their progeny's carcass merit. These partnerships are based on an exchange of

information. By working together, producers can evaluate their cattle's performance, make changes where necessary and enhance profitability. Now, Angus breeders have not only a strong demand for the product, they also have an established network and tools to meet that growing demand.

**At the processing stage,** the CAB Program has formed unprecedented partnerships between packers, fabricators, further processed manufacture and their customers. With more than 80 percent of the U.S. packing industry now licensed to process *Certified Angus Beef*<sup>™</sup> product, there is product readily accessible to food service and retail distributors. These partnerships have extended beyond the typical supplier/customer relationships to include advances in product development and unique services.

The USDA is also a valued partner in the CAB Program as a critical third party certifying that product specifications are met and proper labeling is ensured. In an era where government intervention is sometimes criticized, the CAB Program has worked diligently to foster a productive alliance with the

USDA that benefits all program participants — most importantly the consumer.

At the distribution stage, the CAB Program partners with nearly 70 food service distributors specializing in meat products. These distributors have the capabilities to work with their restaurant, hotel and other various accounts to properly age the product, cut the beef to certain specifications and provide marketing and educational support. In this very competitive industry, licensed CAB Program food service distributors have to rely on valued partnerships to survive.

Regardless of how good the product is, no product will sell itself. At the retail level, more than 1,600 outlets count on the CAB Program partnership to provide advertising tools as well as point of sale recipes, brochures and posters to gain consumer exposure. CAB Program believes one of the most useful benefits of a valued partnership is sharing knowledge. Program staff conduct training courses for retail meat managers and provide merchandising guidance to corporate meat directors. In exchange, licensed retailers give feedback to improve program activities.

The CAB Program has extended its hand to form

partnerships abroad, as well. Importers in 19 different countries have formed alliances with U.S. exporters to bring *Certified Angus Beef* product to a variety of international consumers. While there are some cultural challenges, CAB Program's partnership with the U.S. Meat Export Federation has supported the product's success at both retail and food service outlets around the world.

**With any partnership,** both parties must be willing to look out for each other's interests. CAB Program's new focus on value-added products is a great example of this. To help licensed participants merchandise the entire certified carcass, the value-added products division is creating opportunities to market new products. From hot dogs to corned beef, quality and consistency are the basic elements of any product's success. The CAB Program is continually fostering new partnerships to grow.

Add to these partnerships an alliance of people and systems working to monitor trademark integrity, and you get a complete picture of how this teamwork has accomplished more than any single entity could possibly imagine.

It's this synergism that has allowed the CAB Program to grow and benefit all partners. Building on this teamwork is what will permit CAB Program to continue to satisfy its most valued partner — the consumer.

— Jenny Stickley



**When** a ranch brands its cattle, it places its mark of integrity on them. Likewise, the American Angus Association uses the *Certified Angus Beef*<sup>™</sup> marks to brand a high quality beef product.

On Leachman Angus Ranch, cattle that bear this < > symbolize a beef breeding program dedicated to the advancement of the Angus breed and the beef industry

A brand carries a big responsibility. After all, when you brand something, you are

progressive Angus breeders are determining the value of their end product and, if needed, making the necessary changes to produce a more consistent product.

Leachman Angus Ranch, located outside Bozeman, Mont., has been breeding Angus cattle for more than 45 years. As reputable Angus businessmen, Jay and his father, Les, have strived to increase the value of their herd to better serve the needs of the industry.

## Angus Breeder Accepts Accountability



*Consistent, quality-bred Angus calves lead to a consistent quality end product.*

accepting accountability for that product or service. For some cattle producers, that responsibility stops at their ranch gate. Others, such as Jay Leachman, are accepting accountability far beyond just their segment of the beef industry.

Taking responsibility for an end product that has advanced through a complex production chain where your control is limited is challenging. By forming valued partnerships,

"Our main thrust is to produce more bulls that are alike and offer them to the commercial operator at a price they can afford," says Jay.

"The success of the Certified Angus Beef (CAB) Program has taught us that consistency sells," says Jay. He points to the popularity of fast food giants McDonald's and Wendy's as good examples. "You can go anywhere in the world and find that a McDonald's hamburger tastes the same. It may not be as good of quality

as *Certified Angus Beef* product but it shows us a lesson in consistency."

Jay believes there's too much diversity in the beef industry "You can move a narrow genetic base faster," he says. So, that's what this breeder is out to accomplish. "I look at a lot of data, analyze it and set parameters I believe will produce consistent cattle."

Part of this equation is the carcass data Jay collects through the Association and Certified Angus Beef Program's sire evaluation program. Leachman Angus Ranch now has 17 bulls with actual carcass data listed in the Sire Evaluation Report. In addition, seven more are being tested, including the Leachman Right Time and Conveyor bulls.

By teaming up with commercial customers and feedlots, he is discovering end product value and putting the information to use in his role as an Angus "design engineer." Jay strongly believes his first responsibility is to the commercial operator. "Our marketing program is geared to the commercial producer and their needs for improving the economical traits that keep them in business. As a purebred breeder, it's my responsibility to test the limits for him," says Jay. "If it wasn't for us changing, the commercial operator might go right along with our mistakes."

**One of the commercial operations** he is partnering with to make these improvements is the Flatt Ranch located in the Shield Valley near Livingston, Mont. Involved in the ranch are Don, his brother, Ken, and son, Dean. The Flatts manage 350 Angus cows and calves. They have purchased bulls from Leachman Angus for nearly 20 years.

"We wanted to improve our herd," says Don. "When my son Dean came back to the ranch a few years ago, it gave us the opportunity to start using artificial insemination (AI)."

Their goal is to produce a moderate sized cow. "We can tell our females are more uniform," says Don. Jay Leachman agrees. "They have enhanced the marketability of their cattle and are seeing the benefits."

Because the Flatts now have the capability to AI, they can look at individuals rather than groups. "The Flatts are keeping better records and using the individual information to cull when necessary and head off future problems," says Jay.

"Jay wants his bulls to work for us," says Don. Not only have the Flatts been to Leachman Angus Ranch, but Jay makes visits to the Flatt Ranch as well. "You have to learn more about your customer's cattle and be willing to make adjustments for their needs," explains Jay. He uses the automobile industry as a good example for customer service. "In the auto industry, it's not the product that sells, it's pushing the flesh and following up."

Follow-up doesn't stop at the Flatt Ranch. Steer and heifer progeny that were bred using Leachman Conveyor semen were sold by the Flatts through the Park County Rancher's Marketing Association to Iowa feeder Charles Jargo. John Rose, order buyer for the association, explains this organization is a cooperative venture among some 125 ranchers.

"The association was created so that ranchers could go together as a unit and combine cattle to make loads," says Rose. Organized more than 40 years ago, one of the main reasons for starting it was to put the rancher in touch with the feeder to receive feedback about their cattle's performance.

While the association is not directly involved with the Angus Association's sire evaluation program, Rose's ties with the ranchers and feeders have been an asset to the program.

"John has played a key role in helping the CAB Program maintain identity and track the



Partners in production at the Flatt Ranch in Montana are (l to r): Don and Dean Flat and Larry Dorsey CAB Program Supply Development director.

cattle we are testing," says Larry Dorsey, CAB Program supply development director.

This is the fourth year Charles Jargo has fed Flatt's heifers and the first year for their steers. "I like the gain of Angus cattle and the variability in marketing over the crossbreds. You don't have to make the Angus cattle so big to grade," says Jargo. He

also likes the Angus cattle's temperament. "They're content and eat better."

Jargo starts the cattle on long hay and corn silage. Then, he progresses to haylage and cracked corn and finishes them mostly on cracked corn. In addition, Jargo adds a protein and mineral supplement throughout the feeding process.

Once finished, the cattle will be processed at an area packer where CAB Program staff will collect the carcass data and provide reports to all parties. Although he sells his cattle on a live basis, Jargo appreciates the opportunity the sire evaluation partnership provides to receive carcass data. "Hopefully the information will allow me to get more value for better carcasses and improve the cattle," he says.

**Accepting accountability** for the value of your end product can only be achieved in the beef industry through these types of cooperative efforts. More than 17 years ago, the Association formed unprecedented industry partnerships to stake its reputation on the *Certified Angus Beef* brand.

While less than 20 percent of Angus-type cattle actually meet CAB Program's specifications, the brand is known for consistent quality. Are you willing to accept accountability for your brand?

— **Jenny Stickley**

It's not up to the employees of the Certified Angus Beef (CAB) Program to identify cattle meeting the program's live animal specification. Nor is it up to the employees of CAB Program's 32 licensed packing

whatsoever over the hundreds of beef products, by-product specifications and programs that now exist," Addison says. "Without its involvement, trust in the CAB Program and the integrity of the products would not exist."

## USDA The Impartial Partner

plants to certify carcasses that meet *Certified Angus Beef*<sup>™</sup> product specifications. This certification process is the responsibility of a valuable partner—the U.S. Department of Agriculture (USDA) and its various branches.

While a branch of government might not be considered a partner to many companies, the success of the CAB Program relies heavily on USDA's monitoring of the product's certification and fabrication process. USDA works closely with CAB Program's licensed packers to maintain integrity from overseeing identification of cattle meeting the live animal specification to ensuring proper labeling of shipping boxes.

This impartial third party involvement allows consumers confidence that when they purchase *Certified Angus Beef* product it has met high quality standards.

Not only does the CAB Program benefit from USDA services, so do licensed packers. Kevin Munn, IBP carcass sales manager, says that while his company has an outstanding quality control system, they believe it's important to also have an outside, third party participate in the certification process. "Having USDA involved adds credibility to the CAB Program and helps support consumer confidence in the quality of the products," Munn says.

Beef America's Jim Addison agrees. "If it weren't for USDA we would have no control

**Various branches** of the USDA are involved in *Certified Angus Beef* product certification and fabrication. Besides approving the original product specifications, USDA also:

- Revises the certification process, if needed, to increase efficiency;
- Assists in the initial start-up of CAB Program at newly licensed packing plants;
- Monitors the identification of Angus-type cattle by licensed packing plant employees;
- Evaluates identified cattle for the carcass specifications;
- Keeps *Certified Angus Beef* carcasses grouped together as they enter fabrication;
- Ensures correct labeling of the product and its shipping boxes.

It's important for licensed packing plants to work closely with the USDA and CAB Program, especially during the initial start-up of a newly licensed plant. Many advanced preparations, such as employee training and cooler coordination, must be in place before *Certified Angus Beef* product can be processed. Since 1992, USDA has assisted IBP Inc. in CAB Program start-up for 11 processing plants.

"We're pleased with USDA's involvement, especially its support in getting this program on line at so many plants in such a short period of time," says Munn.

Larry Meadows, chief of the Meat Grading and Certification Branch of the USDA Livestock Division, also feels this teamwork is essential. "Often, these

programs fail from lack of full cooperation," says Meadows. "The success of the CAB Program allows USDA, as a verification service for marketing claims between buyers and sellers, to be a part of the changes occurring in the meat industry. It paves the way for other programs and services to be created."



A USDA grader inspects a Certified Angus Beef carcass at a licensed packer.

This three-way partnership between the USDA, CAB Program and its licensed packers continues to evolve. "As with any successful program, the need to maintain and improve service never ends. All who are involved in the process continue to strive to improve on existing services," says Meadows. "In the near future, we hope to see more checks within the merchandising system to improve the program's integrity."

This integrity is the foundation of the CAB Program, and, integrity can only be achieved through a check and balance system. Thanks to the USDA's impartial service and cooperation, consumers can count on *Certified Angus Beef* product tasting great each and every time they purchase it.

—Kathy Marrin

#### PRODUCT PROCESSING PROCEDURES

When cattle enter licensed CAB Program processing plants, plant employees, approved by the American Angus Association and monitored by the USDA,

identify predominantly black cattle (at least 51 percent of hair coat is black) with an "A" stamp. This means purebred Angus cattle as well as cattle with Angus-type characteristics are eligible for the CAB Program.

The identified cattle are then presented to a USDA grader for evaluation. Carcasses must meet the following criteria to earn the Certified Angus Beef trademark:

**1. Modest or higher degree of marbling.** This specification encompasses the highest two marbling levels of the USDA Choice grade as well as the USDA Prime grade. Research indicates marbling is the major contributor to taste.

**2. "A" maturity range.** This is the youngest age classification for beef. Research indicates the younger the animal, the more tender the beef will be.

**3. USDA Yield Grade 3.9 or leaner.** Yield grade refers to the lean to fat ratio of a carcass. Yield grades range from one to five, with one being the leanest and five the fattest.

**4. Medium or fine marbling texture.** Marbling texture influences the quality of beef. Medium to fine marbling texture contributes to more consistent flavor and juiciness.

**5. Beef muscling characteristics of moderately thick or thicker.** This specification eliminates thinly muscled, narrow carcasses. Superior muscle thickness implies a higher proportion of meat to bone.

**6. No hump on the neck exceeding two inches in height.** Eliminates bulls and cattle with significant Brahman influence. Research indicates the Brahman breed produce beef with more variation in tenderness than other breeds.

**7. No evidence in the rib-eye muscle of internal hemorrhages.**

**8. Free of dark cutting characteristics.**

Quality Standards for Certified Angus Beef™ Product			
USDA Grades	Degrees of Marbling	Maturity A 19-30 months	Maturity B 31-42 months
PRIME	ABUNDANT		
	MODERATELY ABUNDANT		
	SLIGHTLY ABUNDANT		
CHOICE	MODERATE		
	MODEST		
	SMALL		
SELECT	SLIGHT		
STANDARD	TRACES		
	PRACTICALLY DEVOID		
<b>GRADES</b> Quality grades help protect the eating quality of meat based on two factors: marbling and maturity. Each grade denotes a specific level of quality determined by the USDA's grading system.	<b>MARBLING</b> The small white flecks of fat interspersed throughout the lean, including in the main contributor of beef palatability and flavor.	<b>MATURITY</b> The physiological age of cattle is directly associated with the tenderness of meat. Younger cattle tend to produce beef that is superior in color, texture and tenderness.	

#### LICENSED PROCESSORS

Packing plants licensed to process and market Certified Angus Beef™ products include:

**AGRIPROCESSORS**  
Postville, Iowa

**BEEFAMERICA**  
Omaha, Neb  
Norfolk, Neb.

**BOOKER CUSTOM PACKING**  
Booker, Texas

**CALDWELL PACKING**  
Windom, Minn.

**CENTRAL PACKING**  
Center Hill, Fla.

**CORNBELT BEEF CORP.**  
Detroit, Mich.

**CVR PACKING**  
Oklahoma City, Okla.

**DAWSON-BAKER PACKING**  
Louisville, Ky

**EXCEL CORPORATION**  
Dodge City, Kan  
Ft. Morgan, Colo.  
Fronan, Texas  
Plainview, Texas  
Schuyler, Neb.

**GIBBON PACKING**  
Gibbon, Neb

**GREATER OMAHA PACKING COMPANY**  
Omaha, Neb.

**HYPLAINS BEEF L.C.**  
Dodge City, Kan.

**IBP INC.**  
Amarillo, Texas  
Boise, Idaho  
Denison, Iowa  
Dakota City, Neb  
Emporia, Kan.  
Geneseo, Ill.  
Holcomb, Kan.  
Brooks, Alberta, Canada  
Lexington, Neb.  
Luverne, Minn.  
Pasco, Wash.  
West Point, Neb.

**INDEPENDENT MEAT CD.**  
Twin Falls, Idaho

**MONFORT INC.**  
Des Moines, Iowa

**NATIONAL BEEF PACKING**  
Liberal, Kan.

**TAMA MEAT PACKING**  
Tama, Iowa



**The** beef industry is like a puzzle. It's comprised of many unique pieces that fit together to make a complete picture. The only way you can form the image, however, is to study the pieces and learn how they fit together.

Recently, the Certified Angus Beef (CAB) Program hosted 130 food service

the sales representatives to learn firsthand about the many alliances needed to produce *Certified Angus Beef* product. "It's so valuable to know about the entire program. It makes you a better sales representative," shared Skip Wetzstein, representative from Quality Meat & Seafood, West Fargo, N.D.

Despite the wet spring weather conditions, the group also visited Knobbe Cattle Co., located in West Point, Neb. Owner Pat Knobbe reviewed the daily operations of his family's 5,000-head capacity feedlot.

Not only did attendees see pens of Angus-type cattle, they also saw several other cattle

Ron Gilchrist, a representative from the Buckhead Beef Company, Atlanta, Ga., thought the tours were excellent. "I believe in *Certified Angus Beef* product even more, and I feel confident to sell it against other beef programs," he said.

Another important piece of the puzzle addressed during the seminar was trademark integrity, CAB Program staff stressed the importance of the representatives partnering with the program to uphold the licensing policies and protect trademark use.

In addition, new resources such as a sales video, waitstaff training video and recipe cards were showcased as tools to strengthen distributor/customer partnerships. Role playing was also used to demonstrate how to form relationships with potential food service decision makers.

Networking opportunities were a highlight for attendees. "The seminar gave me the opportunity to exchange ideas with others from around the country," said Doug Hathaway sales representative from Jordon Meats, Bangor, Maine. It proved to many that the number of partnerships that can be created in the CAB Program is limitless.

While these sales representatives hear about the CAB Program from staff and their employees on a daily basis, actually putting the puzzle pieces together themselves was beneficial.

"Anybody can put a program on paper. Seeing the real thing makes you realize it's the truth," said Mark Knowles, sales representative for Newport Meats, Irvine, Calif.

When you get right down to it, the success of the CAB Program is not puzzling. It's simply a network of valued partners learning to appreciate each other's vital contribution.

— **Lori Franklin**

## Putting the Puzzle Together



distributor sales representatives in South Sioux City, Neb., for a seminar themed, "Putting the Puzzle Together." The objective was to expose these representatives to the various components of the CAB Program, including the Angus breeder, feeder and packer.

Using the puzzle concept, attendees representing nearly 50 different companies, were able to study each piece of the CAB Program and pull it all together. The result is better informed sales representatives and increased *Certified Angus Beef*™ product sales in the food service sector.

It was an opportunity for

A majority of the attendees were novices to beef production. Realizing this, CAB Program staff included visits to a registered Angus farm and feedlot on the seminar agenda. An afternoon at O'Neill Angus Farm, located near Logan, Iowa, provided insight to the seedstock sector of the beef industry.

Jim and Ardyce O'Neill discussed their roles of "designing" Angus cattle through breeding choices. They explained how these breeding decisions would affect the end product the sales representatives provided to their customers.

breeds in the feedlot mix. This demonstrated the variation of available cattle and the importance of the CAB Program's live animal specifications. Knobbe also shared the technical side of cattle feeding and its effect on beef quality.

**Thanks to the cooperation** of licensed packer, IBP Inc., the group toured the Dakota City plant and saw *Certified Angus Beef*™ product identification, certification and fabrication procedures. The tour showed the group the important roles each plant employee and the USDA graders play in the processing stage.

**A**t times the road from the producer to the consumer seems like a long journey. The Certified Angus Beef (CAB) Program can narrow that distance between Angus breeders and restaurant patrons.

Although more than 11,000 restaurants around the United States use *Certified Angus Beef*™ product, only 1,300 restaurants are licensed to promote it on their menus. To become licensed, a restaurant must sign a trademark licensing agreement that requires them to offer only *Certified Angus Beef* products as its beef selections. If a restaurant enters into this agreement, it may promote the trademark.

On many occasions, Angus breeders have influenced their favorite local restaurants to become licensed. Angus enthusiasts Brian and Gail Swartz, Leroy, Ill., did just that.

The Swartz family, their friends and business associates have frequented the Round Barn restaurant in Champaign for many years. During a casual conversation, owner Phillip Katsinas shared with Brian his displeasure with customer complaints about his steaks. Brian suggested he try *Certified Angus Beef* steaks.

Phillip didn't take this advice until he, Brian and Oklahoma Angus breeder, Tom Drake, dined together at a Tallahassee, Fla., restaurant. The steakhouse served *Certified Angus Beef* product and the group enjoyed a wonderful dining experience. "Phillip even spoke to the owner of the establishment about his success with *Certified Angus Beef* product," says Brian.

After returning to Illinois, Brian put Phillip in contact with licensed CAB Program food service distributor, Rocke's Meating Haus, Morton, Ill. The Round Barn became a licensed restaurant

## You Can Be Part of Valuable Sales Team



The Little Apple Brewmg Co., Manhattan, Kan., managed by Russ Loub, executive chef (left), and Rob Moline, brewmaster, now serves *Certified Angus Beef*™ product, thanks to owners Galen and Lori Fink.

last August. It features several diverse *Certified Angus Beef* menu items including, "Cookie's Steak Stew," which utilizes beef tips; a one-third pound hamburger made of *Certified Angus Beef* ground chuck; top sirloin steak; ribeyes; and various sizes of tenderloin filets.

"The high quality of the product and the value image prompted me to purchase *Certified Angus Beef* product," says Phillip.

Now, the Round Barn displays the *Certified Angus Beef* trademark on its menu, advertises on radio and in newspapers, and sponsors special promotions. "I've seen many benefits from marketing *Certified Angus Beef* product," says Phillip. "Most importantly I'm enjoying customer satisfaction and repeat business."

**Kansas Angus breeders** Lori and Galen Fink went one step further by practicing what they preached in their own restaurant. The Little Apple

Brewing Company located in Manhattan, Kan., is a joint venture between the Finks and several other Angus breeders.

After an unsuccessful, one year attempt, the investors regrouped, hired new management, ordered *Certified Angus Beef* product and recently reopened.

"Our new manager, Russ Loub, has a great track record and knows how to cook a steak," says Galen. "He believes in *Certified Angus Beef* product and early results show that Manhattan does, too!"

The Finks role in the restaurant includes being the major stockholder and sounding board for any problems. This provides insight to the difficulties that can be encountered in the distribution chain after the product leaves the packer.

In regard to these challenges, Galen says, "Sometimes, as breeders, we get hung up in our own little world. We need to appreciate the whole picture."

When the group reopened

the restaurant, their goal was to be "the" steakhouse in town. Being the only licensed *Certified Angus Beef* restaurant in town gives it an edge. "The previous establishment lacked atmosphere, but now, with *Certified Angus Beef* menu items and a western steakhouse theme, we have the atmosphere for a great steakhouse," says Galen. "You have to have a quality product or people will go elsewhere."

This theory is paying off. Just three weeks after The Little Apple Brewing Company opened, it exceeded sales projections by 50 percent, with *Certified Angus Beef* product accounting for 70 percent of dinner sales.

Working with a Wichita licensed distributor, McGreevy's Mid West Meat Co., the restaurant features a wide selection of *Certified Angus Beef* products, including a 24-ounce porterhouse signature item and a 10-ounce kabob. McGreevy's has shown its dedication to the Little Apple by conducting waitstaff training and assisting with radio advertising.

Galen feels Angus producers can promote *Certified Angus Beef* product by encouraging more restaurants to use it. "Word of mouth is still the most effective route we have," he says. "All producers have to do is talk to their favorite restaurants about *Certified Angus Beef* product or, they can even get as involved as we have."

If you're not quite ready to become a restaurant operator, you can become a sales representative. All you have to do is patronize your local restaurants and encourage them to try *Certified Angus Beef* product. The CAB Program even offers a small calling card to invite restaurateurs to try it. Contact the CAB Program to get your own sales tools.

— Lori Franklin

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**The** goal of successful grocery stores is to set themselves apart from the competition. While this can be achieved in several ways, Certified Angus Beef Program licensed retailers believe it's most effectively obtained by simply listening to the consumer. By creating partnerships with their

Green, Ky., offers its customers *Certified Angus Beef*™ product as the only fresh beef choice in its 44 stores. Mike Givens, director of meat operations, says Houchens is a strong believer in using the "pull" marketing strategy within the meat department.

"Many times within the meat industry, products are

Consumer partnerships require continual attention.

With 11 stores carrying 100 percent *Certified Angus Beef* product, Buehler Food Markets Inc., based in Wooster, Ohio, has embraced education as an effective tool to foster consumer partnerships.

"A well informed customer is a confident shopper," says

associate-customer contact.

"The more confidence we can give our customers, the more confident they will be to return to Buehler's and purchase those products again," says McMillan.

**Helping licensed retailers** build that consumer confidence is a priority for the CAB Program's retail division. By providing recipe cards, brochures with cooking tips, nutritional information, and much more, CAB Program tries to support its retailers' education efforts.

This summer, CAB Program will begin offering "Creating Consumer Confidence" training programs for its licensed retailers. These interactive seminars will provide meat department associates the necessary tools to answer consumer questions and concerns about *Certified Angus Beef* product, provide purchasing and preparation suggestions and ultimately increase sales.

Buehler's will be the first licensed retailer to incorporate this training into the company's education program. "Customers and associates deserve equal attention," says McMillan. Store employees are the direct link to the consumer and play a significant role in the partnership. Both Buehler's and Houchens agree that if you want employees to meet the needs of the consumer, management must listen to the ideas of their associates.

For many years, the beef industry has ignored the consumer as a valuable partner. Progress is being made, however, and consumer needs are now being considered, especially by the CAB Program and its licensed retailers. As competition for the dollars consumers spend on meat becomes more fierce, all beef industry partnerships should be driven by its most important partner — the consumer.

— Sarah Donohoe

## The Consumer *Our Most Valued Partner*



Consumers expect the point of purchase to be the best source for product information, say retail meat experts.

customers, these retailers are able to meet consumer needs and gain loyal, repeat patrons.

An important step in this process is for organizations to take the initiative to evaluate their performance through their consumers' eyes. This means going into the marketplace, discovering what consumers want, and providing it to them.

**Houchens Inc.**, a licensed retailer based in Bowling

Green, Ky., offers its customers *Certified Angus Beef*™ product as the only fresh beef choice in its 44 stores. Mike Givens, director of meat operations, says Houchens is a strong believer in using the "pull" marketing strategy within the meat department.

However, just stocking the case with the product that will best meet consumer expectations isn't enough.

Mary McMillan, Buehler's director of consumer affairs.

Consumers expect the point of purchase to be the best source for product information. In response, Buehler's has implemented an on-going education program for their customers, as well as Buehler associates. Their strategies include in-store cooking schools, product demonstrations, consumer newsletters, and employee training for one-on-one



## SUPERMARKET SALES SURGE

The CAB Program retail division currently comprises 59 percent of *Certified Angus Beef*™ product sales, or 100 million pounds per year. This is the largest fresh, branded beef program in the retail industry. More than 1,600 retail outlets are currently licensed to promote *Certified Angus Beef* product.

Following are the top 20 retail accounts in alphabetical order. Product movement through these accounts represents about 70 percent of the retail division sales.

**Baker's Supermarkets Inc.**  
Omaha, Neb.

**Big Y Foods Inc.**  
Springfield, Mass.

**Brookshire Grocery Co.**  
Tyler, Texas

**Buehler Food Markets Inc.**  
Wooster, Ohio

**Butson's Family of Markets**  
Woodville, N. H.

**Carter's Food Center's Inc.**  
Charlotte, Mich.

**Farm Fresh Supermarkets**  
Norfolk, Va.

**Giant Eagle Inc.**  
Harmony, Pa.

**Goading's Supermarkets Inc.**  
Altamonte Springs, Fla.

**Harris Teeter Inc.**  
Matthews, N. C.

**Houchens Inc.**  
Bowling Green, Ky.

**Hyde Park Markets**  
Ft. Lauderdale, Fla.

**King Soopers Inc.**  
Denver, Colo.

**National Super Markets Inc.**  
St. Louis, MO.

**Piggly Wiggly Inc.**  
Sheboygan, Wis.

**Price Chopper Operating Company Inc.**

Schenectady, N. Y.

**Handall's Food Markets Inc.**  
Houston, Texas

**Red Apple Supermarkets Inc.**  
New York, N. Y.

**Tom Thumb Food Inc.**  
Austin, Texas

**Vons Companies Inc.**  
Arcadia, Calif.

**The** Goal — develop a line of value-added products using under-utilized *Certified Angus Beef*™ cuts.

The Challenge — research and develop this new line, as well as adopt a marketing plan to position the products for future growth.

have proven not so simple. There have been several occasions since that fall meeting when progress seemed more like the old "chicken little" adage — the sky is falling, instead of the sky is the limit.

USDA processing

University as Extension meat specialist.

In keeping with the overall philosophy of the CAB Program, the target for new, value-added products was focused on quality. With this directive, Cordray set out to develop a set of specifications

## Venturing Into Valued-Added Products



There is room and demand for a variety of *Certified Angus Beef*™ products in retail meat cases today.

Initially, the goal sounded "oh, so simple" as our staff discussed the purpose of the value-added products division around the boardroom table last fall. This vision provided an excellent opportunity for expanding the *Certified Angus Beef* (CAB) Program's growth through new merchandising avenues.

Developing and coordinating the production and marketing of new products derived from *Certified Angus Beef* cuts the packers and fabricators were not moving as easily as others certainly could be accomplished in a short time frame. With added enthusiasm, the sky was the limit.

The challenges, however,

regulations, labeling requirements, product specifications, flavor profiles -why? what? and how? While CAB Program has compiled many resources over the years, information pertaining to this new venture was void. The need for developing new partnerships in this field became evident.

One contact name, in particular, surfaced as CAB Program began to study this sector of the beef industry. A well-respected processed meats consultant, Joe Cordray, came to the rescue. At the time, Cordray was working with the A.C. Legg Spice Company. Soon after the initial contact was made, he accepted a new position with Iowa State

that would result in the highest quality processed items offered to the consumer.

While product specifications were being established, many other challenges were being presented each day. Product labeling for further sale at both the retail and food service levels surfaced as a major challenge. If you think reading and understanding today's food labels is difficult, try following the USDA regulations required to get to that point. From location and positioning of the product name to the sizing of statements about the product, USDA has guidelines to cover it all.

To help side step any potential delays in this

development process, Cordray brought a colleague, who works daily with these USDA regulations, into the picture. George Cocomo, Professional Resource Organization, lent his expertise to the final design and regulation requirements for product labeling. Cocomo's contacts with USDA officials enabled the process to remain on track and eliminate valuable loss of time, money and resources during this stage.

While progress was being made on product specifications and labeling, the challenge of locating manufacturers became the new focus. Again, the value of strong partnerships proved useful. Program licensees from the packing, food service, retail and export divisions shared

information about top-notch organizations anxious to contribute to the CAB Program. To date, each of the processor/manufacturers licensed to produce *Certified Angus Beef* value-added products has been a result of this network.

By partnering with industry leaders, licensees and new processing companies, the CAB Program is building a foundation for its value-added products division. New alliances are being formed and current partnerships are being strengthened each day to take the division into the marketing stage. It's easy to set a goal. Conquering the challenges to achieve that goal requires teamwork.

— **Jim Stickley**

## CARCASS UTILIZATION

Currently, the CAB Program merchandises 59 percent of certified carcasses as *Certified Angus Beef*™ product. While middle meats like the tenderloins and strips are easily sold, only about 50 percent of *Certified Angus Beef* chucks and rounds are used.

### Underutilized Cuts

*Ball-tip*  
*Briskets*  
*Chucks*  
*Foreshanks*  
*Rounds*



### Potential Value-Added Products

*Cooked roast beef*  
*Pastrami*  
*Corned beef*  
*Frankfurters*  
*Fajita meat*



**The** Certified Angus Beef (CAB) Program is a division of the American Angus Association. As such, the highly recognized *Certified Angus Beef*™ marks are the property of the Association, and consequently its 25,000 members.

For the past 17 years, these marks have stood for quality, consistency and integrity in the beef industry. The CAB Program staff, its board of directors and its licensees take very seriously the charge of maintaining the integrity of these marks. By assuming your role as a valued partner in this effort, the marks will continue to exemplify these values for many years to come.

### Legal Protection

There is no disputing the value of the *Certified Angus Beef* marks to the owners and even those granted the use of them. For this reason, legal counsel has developed license agreements along with numerous policies, guidelines and procedures for every CAB Program division and tier. Only licensed participants adhering to these policies and guidelines are permitted to use the *Certified Angus Beef* marks.

Each year, a portion of CAB Program's annual budget is set aside for legal fees. This investment is needed to develop and maintain sound, well-structured license agreements, policies and procedures. Also, it prepares the program for swift, well-founded action against anyone attempting to infringe on the *Certified Angus Beef* marks.

### Use of the Marks

Application of the federally registered *Certified Angus Beef* certification mark on a carcass which has met the live animal and carcass specifications is the first legal use of any of CAB Program's marks. The program's monitoring efforts begin with this carcass certification by USDA graders. Therefore, no use of the mark is permitted in the production process prior to this point.

This is one reason why Association members are not

permitted to use the *Certified Angus Beef* marks for any Angus cattle advertisements in promotions. Additionally only about 18 percent of Angus-type cattle identified at licensed packing plants currently meet CAB program specifications, making it nearly impossible for a producer to guarantee that his or her cattle

code and enter each sale, approximately 200,000 per month, into the CAB Program's database. This allows purchases and sales of every licensed company to be closely monitored.

Also, it brings uniqueness and integrity to the program. The CAB Program is the only Angus-type branded beef

spend on their *Certified Angus Beef* marketing efforts.

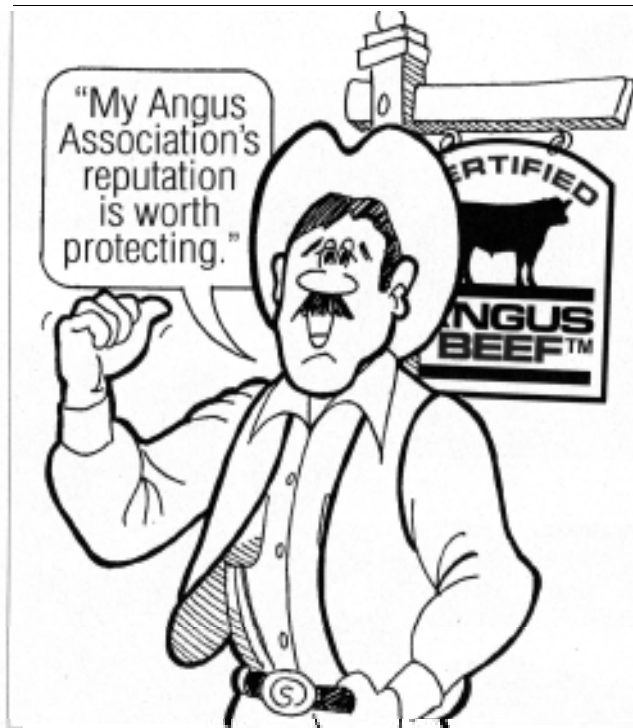
Many licensed distributors reverently protect these marks. In fact, some have lost customers short term to maintain the long-term value of the *Certified Angus Beef* marks.

The CAB Program staff, its board of directors and its licensees are committed to maintaining the integrity of the *Certified Angus Beef* marks, even at great costs. That is why they insist on doing it right each and every time.

As a valued production partner, you can also accept responsibility by not using the marks in your marketing promotions and by reporting questionable use to the CAB Program executive office. Remember, it's your mark of integrity.

— Crystal Meier

## Protect Your Mark of Integrity



qualify for the mark.

After the certification mark is used to identify product meeting the specifications, the *Certified Angus Beef* service and trademarks are used to promote it. Both of the illustrated marks are used by CAB Program staff and licensees to promote the product in promotional materials and activities.

### Monitoring Procedures

The CAB Program's monitoring division tracks every pound of *Certified Angus Beef* product from the packer to the end-user restaurant or retail store. Staff members

program with this thorough of a monitoring system.

In addition to worldwide spot-checking of licensees, monitoring division staff oversee the prompt investigation of any violations. They correct accounts that are out of compliance and cancel those not willing to comply with program policies.

During fiscal 1995, the CAB Program will spend more than \$4 million to promote and monitor these marks. This amount, however, is small when compared to the millions of dollars licensed restaurants, retail stores, distributors and packers will