



Brand News

► News and highlights from Certified Angus Beef LLC*

Feedlots commit to quality

The semi-annual "Commitment to Quality" training seminar was conducted by the Certified Angus Beef LLC (CAB) Supply Development Team in Garden City, Kan., May 19-21. Twenty-nine participants from 22 licensed feedlots strengthened their ability to match quality beef production with customer satisfaction. They also learned a three-pronged approach to beef quality assurance — safe product use, management for higher-quality beef products and detailed systems management.

The quality assurance seminar is the final step in the licensing process for these 12 newly-licensed feedlots:

- Schmitz Feedlot Inc., Clayton, N.M.
- Dakota Prairie Beef, Scranton, N.D.
- Thomas County Feeders, Colby, Kan.
- Producers Feedlot, Ault, Colo.
- McGinley-Shilz Co., Brule, Neb.
- Texas County Feed Yard, Guymon, Okla.
- Darrel Smith Angus, Atkinson, Neb.
- MPK Land and Livestock, Lebanon, Kan.
- Brookover Ranch Feedyard, Garden City, Kan.
- Panhandle Feeders, Morrill, Neb.
- Karlen Ranch, Reliance, S.D.
- Barton County Feeders, Ellinwood, Kan.

There are now 79 CAB-licensed partners in 17 states. See detailed listings in the "Feeding Options" insert, call (785) 539-0123 or visit our Web site at www.cabfeedlots.com for more information on feedlot licensees.

FLP sets enrollment high

During the month of April, a total of

30,115 head of cattle were enrolled in the Feedlot-Licensing Program (FLP) by CAB-licensed feedlots. This marks the largest monthly enrollment volume since the program began in 1999. The previous single-month high was 24,531 head, enrolled during July 2001. As a reference, a total of 22,092 head were enrolled during the FLP's first year.

Feedlot licensing magnifies opportunities for financial rewards for all involved in producing, feeding, processing and merchandising high-quality Angus and Angus-type cattle and *Certified Angus Beef*® (CAB®) product by identifying a predictable population of black-hided cattle efficiently managed to hit a quality target.

Waldorf-Astoria is CAB Prime territory

The Bull & Bear Restaurant and Bar, located in New York City's historic Waldorf-Astoria Hotel, became a CAB brand partner in April. All beef entrées now feature CAB Prime cuts.



Host Jennifer English of the "Food and Wine Show," airing on Talk America Radio Networks, plans to host a live broadcast from the hotel, spotlighting the restaurant and its new premium beef offering. The radio program is among four finalists for the 2002 James Beard Foundation/Viking Range Broadcast Media Award for Best Radio Show. The show is a weekly, two-hour program heard in more than 35 cities, with a

potential audience of 5 million. By spreading the word about the CAB brand, the show could help increase consumer demand for the brand from coast to coast.

CAB featured at meat conference tasting event

The CAB brand was featured at a product-tasting reception held during the Annual Meat Conference in Dallas, Texas, April 21-23. Al Kober, CAB director of retail, and other members of the retail team attended. The reception featured the Usinger frankfurter, Polish and andouille sausage, and summer sausage; Aidell's fajita and teriyaki sausage; W&G barbecue beef; and Quick-N-Easy® pot roast by RMH Foods — all CAB products.

The annual conference is the retail supermarket industry's premier meat marketing and operations education event. It provides an excellent opportunity to introduce the brand to the supermarket industry.

Co-sponsoring Canadian chefs convention

The Canadian National Chefs Convention in Vancouver, British Columbia, June 13-15 provided an excellent forum for sharing the benefits of the CAB brand over Canadian competitor Certified Canadian Angus Beef (CCAB). More than 250 of Canada's top chefs attended.

CAB was asked to co-sponsor the event, thanks to an invitation from licensee Intercity Packers of Vancouver. CAB representatives spoke to the Junior Chefs Association during the conference. And CAB flatiron steaks were the featured entrée at the convention's evening gala dinner.

Chili hot item at restaurant show

The National Restaurant Show in Chicago, Ill., May 18-21 was the largest gathering of restaurant and hospitality industry professionals in the country. The show attracted an estimated 75,000 attendees and 2,000 exhibitors.

Advance Food Co., a licensed CAB processor, participated in the event. The company offered samples of CAB brand Philly steak and chili at its booth. The show provided an opportunity for Advance Foods and CAB staffers who attended to network with hundreds of U.S. restaurant representatives.

Waitstaff compete for Dodge truck

Texas-based Saltgrass Steak House recently completed its CAB waitstaff contest. The six-week promotion awarded a 2002 Dodge 1500 "Angus black" pickup to the person with the most CAB brand knowledge.

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To order CAB merchandise, call 1-800-725-0070 or fax (330) 345-0803

TOLL-FREE FLAVOR LINE

1-877-2-EAT-CA-B

*Certified Angus Beef LLC is a wholly owned subsidiary of the American Angus Association.

The winning staffer scored 100 points. Overall, 95% of the waitstaff knew the year CAB was founded, and 90% knew all eight quality specifications. The contest also targets weak areas of knowledge, prompting better training techniques.

New training materials will now be developed to help staff become more acquainted with talking points of individual cut characteristics and eating qualities. The Saltgrass contest ensures that restaurant staff members are fully prepared to promote and serve the brand to customers.

CAB off to the races

Members of CAB's retail staff recently participated in the Food City Family Race Nights in conjunction with the Food City 500, a NASCAR race in Bristol, Tenn. Food City, an 86-store CAB-licensed grocery chain in Tennessee, Kentucky and Virginia, sponsors the annual race.

Race nights have a festive atmosphere and feature several food vendors, drivers, cars and other family events. CAB staffers grilled and served CAB Bubba burgers, and Tom Steele of Bubba Foods also manned a grill. More than 1,600 burgers were served to fans in Knoxville, and more than 2,000 burgers were offered to fans in Kingsport.

The burgers were a huge hit with the crowds, especially those experiencing CAB's mouthwatering flavor for the first time. Other race-night vendors included a local barbecue sauce, radio stations, Sprint Wireless, GNC health stores and Johnsonville brats. Introducing consumers to the brand is the ultimate goal of special promotions and samplings like this one.

Taking it to Taiwan

It may be a small world after all, but that doesn't make it easy to cover CAB's global market. The brand's innate high quality, combined with the integrity of CAB brand assurance and well-established licensees make the job manageable.

This spring CAB international staffers returned to Taipei, Taiwan, the first such visit in four years. Assistant directors of CAB's International Division Maggie Hodge and Heidi Scheffler reintroduced the brand and conducted goal discussions with distributors Shuh Sen and TZY YAO, both CAB licensed since 1993. They also conducted in-depth staff training on CAB product, organization



Feedlot-Licensing Program monthly honors

The CAB Feedlot Partner of the Month for April is El Oro Feeders, Moses Lake, Wash. Jim Sauter is manager. April Quality Assurance Officer is Trent Hutchinson, 4+ Cattle Feeders, Lexington, Neb.

Monthly awards are part of the CAB Feedlot-Licensing Program (FLP) "Spotlight Award" series based on volume, quality, customer service and attention to detail.



Trent Hutchinson



The FLP also honors partners that harvest "30-0" groups of cattle — those with at least a 30% Prime or CAB acceptance rate and that are free of discount carcasses — by refunding enrollment fees.

In April-reported data, Supreme Feeders, Kismet, Kan., stood out with a load of 72 steers that achieved 58% CAB acceptance. Spotlight winner 4+ Cattle Feeders, Lexington, Neb., sold 58 steers that went 36% CAB and Prime, and rated honorable mention for a group of 71 heifers that graded 28% CAB with only three YG 4s.

Here's a summary of accomplishments from the April data reports:

| Licensed CAB feedyard | Head | Sex* | %YG 1 & 2 | %CAB/Prime |
|------------------------------|------|------|-----------|------------|
| 4+ Cattle Feeders | 58 | S | 44.8 | 36 |
| El Oro Cattle Feeders | 15 | H | 0.0 | 33 |
| CSA Cattle Co. LLC | 20 | M | 50.0 | 45 |
| Supreme Feeders LLC | 72 | S | 61.1 | 58 |
| Supreme Feeders LLC | 44 | S | 50.0 | 34 |
| Honorable Mentions:** | | | | |
| Sellers Feedlot | 84 | S | 45.2 | 33 |
| Silver Creek Feeders, Inc. | 39 | S | 23.1 | 32 |
| 4+ Cattle Feeders | 71 | H | 44.8 | 28 |
| Darnall Feedlot | 92 | H | 27.2 | 45 |
| Eisenmenger Farms, Inc. | 40 | S | 47.5 | 50 |
| Irsik & Doll Feedyard | 55 | S | 16.3 | 98 |

*S = steer; H = heifer; M = mixed.

**Missed 30-0 status due to some discount carcasses, such as YG 4s.

structure and end-user licensing and marketing opportunities.

While there, Hodge and Scheffler met with the CAB-licensed packer offices (IBP, ConAgra and Cargill) and U.S. Meat Export Federation (USMEF) representatives.

"The benefit of getting back to the market was tremendous," Hodge says. "The changes in our restaurant licensing policies [100% and line-item licensing] are options much needed for Taiwan restaurant and hotel operators."

Like much of the Far East, Taiwan has suffered from a weakened economy for the past few years. Many businesses and factories

have moved to mainland China where they can find cheaper labor and land costs, and the exodus has been a blow to all of Taiwan. Consumer income is down, spending is down, and the exchange rate of the U.S. dollar vs. the new Taiwan dollar is up.

Higher prices for U.S. beef do not help, as volume and market share have been shifting to Australia and New Zealand for the past two

to three years. Frozen U.S. beef shipments, 60% of export volume, have been hit the hardest, while chilled exports continue to grow slowly. Taiwanese people traditionally prefer pork (30 kg per year) to beef (5 kg per year), which adds another level of challenge.

USMEF has focused many resources on the Taiwan market over the years, but staff expressed frustration at the lack of results on the beef side. With the weakened economy, beef is in a tougher position than ever. USMEF's current team effort with similar organizations from Australia and New Zealand may help educate consumers on the nutritional aspects of beef.

The largest U.S. beef retailer, Costco with three stores, and another large retailer, RT Mart (20 stores), lead the list of companies that can move tonnage of CAB product and increase brand awareness. Retail beef sales in Taiwan are predicted to increase for 2002.

CAB's new foodservice licensing policies will greatly increase the number of restaurants that take advantage of licensing due to the flexibility, say Shuh Sen and TZY YAO owners. The main challenge lies in the fact that sales efforts must focus on "purchasers" rather than on chefs, so price often overcomes taste in the decision.

