

2002 National Angus Conference focuses on

# Identifying the Value

by **Stephanie Veldman** and **Shelia Stannard**



**T**hose who attended the 2002 National Angus Conference in Sacramento, Calif., learned how to “Identify the Value” of Angus cattle through all segments of the industry, from seedstock production to the retail market, during the one-day conference on April 24, 2002.

Purebred and commercial cattle producers from nearly 30 states, Canada and Poland also participated in a two-day tour of Angus ranches and California agriculture on April 25-26 (see page 40).

Bruce Berven, executive director of the California Beef Council, keynoted the one-day conference by talking about West Coast consumer demand. He said that because the population and consumer base is so diverse, a unique marketing challenge is presented to the beef industry to reach the various ethnic groups.

“We are no longer able to do just general media advertising. In addition, we don’t think it works,” Berven said. Instead, the California Beef Council concentrates on building relationships with retail chains. It is helping retail stores to put more emphasis on their beef displays and to feature more beef cuts in weekly flyers. This marketing effort has led to an increase of up to 255% in sales for the retailers.

The California Beef Council has also started training programs for foodservice distributor representatives, after finding that many of the representatives were afraid to promote beef because they didn’t know anything about it. “We have seen sales increase 35% since we started these training programs.”



**Bruce Berven**



PHOTOS BY STEPHANIEVELDMAN

► John Crouch, American Angus Association executive vice president, and Judy Crouch (center and far right) visit with Doug Fee, Canadian Angus Association (center left), and Kathy Fee at the 2002 National Angus Conference kick-off reception on April 23.

For the beef industry, 2001 was a year of calamity. The bovine spongiform encephalopathy (BSE) and foot-and-mouth disease (FMD) crises hit Europe early in the year. The Sept.

11 terrorist attacks in New York City and Washington, D.C.; the loss of the majority of the beef export market to Japan; and economic instability in the United States also affected the agricultural industry. Berven said that even with all of these events, beef demand improved 4.9% overall. “We spent, as a nation, \$4 billion more on beef in 2001 than in 2000,” Berven said.

## Increasing the value

Experts from various segments of the beef industry spoke during the conference’s morning session, with topics focusing on value in each of their areas. Brett Erickson, director of value-added products for Certified Angus Beef LLC (CAB), challenged all producers to continue to look for ways to identify

those cattle that meet *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) requirements.

“As we increase the demand for *Certified Angus Beef* brand products, the demand for those types of cattle to meet the need for consumer demand will increase,” Erickson said. “We can only do that by having the supply available to us to grow the brand needs.”

Erickson added that it has become important to integrate beef into the convenience food marketplace. “When deciding what’s for dinner, consumers want something easy to choose and easy to use.”

Conference attendees were also able to hear from the packer’s perspective, as Tim Schiefelbein talked about the value found on the grid. He said there are three factors that affect how a group of cattle grade on the grid: the marbling score, how lean the cattle are and the number of out cattle (heavy- and lightweights, dark cutters, etc.).

“Out cattle is what we need to be concerned about. Are we trying to make Angus elephants by striving for 100-plus

CONTINUED ON PAGE 38

yearling weights?” asked Schiefelbein, value-based procurement manager for ConAgra Inc.

Schiefelbein also encouraged producers to use ultrasound technology to help ensure that cattle have the characteristics that packers are looking for in terms of marbling and yield grade scores.

The next speaker was a commercial producer who told breeders how he looks for value in the bulls he purchases.

Weldon Hawley, Vernon, Texas, is the ranch manager of the W.T. Waggoner Estate and is responsible for 13,000 mother cows, 700 bulls and the ranch's marketing programs. Hawley shared his bull selection criteria, which included longevity, a guaranteed first breeding season and evaluation of kill data.

“I love EPDs (expected progeny differences),” Hawley said. “My secretary said I'm obsessed with them,” he said as he explained that low birth weights and high accuracies are the keys to his selection criteria on the 200-250 bulls he buys annually.

Hawley encouraged seedstock producers to have as much information available as they can on the animals they are selling, especially actual ultrasound data if possible.

“I go through all of your catalogs, advertisements and newspapers,” Hawley said. “You need to make that information available to me wherever you can.”

### Lessons in reproduction

One of the more entertaining lessons of the morning session involved audience participation in demonstrating the estrous cycle of the cow. Bill Beal, professor of animal and poultry sciences at Virginia Tech, gave conference attendees a crash course in the reproduction cycle.

Using props, Beal had participants blowing up balloons to demonstrate follicle growth, using balls to symbolize the egg and wearing signs to keep track of the day of the cycle.

“Understanding the estrous cycle is key to explaining the things that must ‘go right’ to

establish a pregnancy or things that may ‘go wrong’ if the female fails to become pregnant or experiences embryonic mortality,” Beal said. He emphasized how important it is for breeders to understand the reproductive cycle in order to have successful breeding programs.

### Marketing tools

The afternoon portion of the conference focused on the importance of marketing plans and good customer service. Keith Evans, former director of communications and public relations for the

American Angus Association, led a marketing session.

Evans outlined four basic principles to a successful marketing program: positioning, understanding when buying decisions are made, top-of-mind awareness and developing a program.

“Marketing is just as important to your success as your breeding program,” Evans said.

A marketing panel consisting of Jay Leachman, Bozeman, Mont.; Rob Thomas, Baker City, Ore.; and Bill Rishel, North Platte, Neb., wrapped up the conference. The panel agreed that customer satisfaction is the No. 1 priority in a successful marketing program.

“Sell your program, not just the bull,” Leachman advised. “There are no short cuts in this business.” He said his annual sale catalog is his most important marketing tool, as he has many requests for it both before and after his sale.

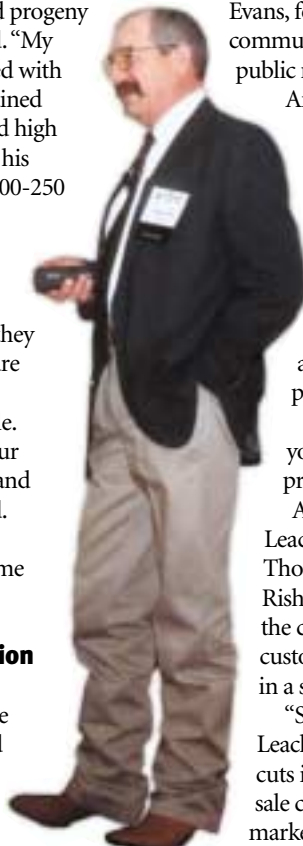
Thomas said that having a good reputation with your customers is very important, because customers tend to talk to each other, and new clients are usually referred by current customers.

“Long-term marketing to us means earning the respect of those customers one at a time. In turn, those customers become some of our very best customers,” Thomas said.

Rishel said that it is important for Angus



►While explaining the estrous cycle of a cow, Bill Beal (center), professor of animal and poultry sciences at Virginia Tech, used audience volunteers and visual aids to demonstrate the steps in the cycle.



Weldon Hawley

producers to be involved in other aspects of the beef cattle industry besides the registered Angus business.

“If we do not support the promotion and marketing of the end product, there really is not much purpose in what we promote and market as purebred breeders,” Rishel said. “The only true dollars that are created in the beef cattle industry are the dollars that a consumer pays for the ultimate product at the very end of the chain of production.”

After the conference program, attendees boarded buses and traveled to Five Star Land & Livestock, Wilton, for the kickoff of the tour portion of the event. The next two days of the tour included stops at Thunder Hill Ranch, Willows; Tehama Angus Ranch, Gerber; Byrd Cattle Co., Red Bluff; Martin Angus Ranch, Winters; G Bar Angus, Lodi; Vintage Angus Ranch, La Grange; and Delicato Family Vineyards, Manteca. Attendees enjoyed viewing Angus cattle on display and learning about the diversity of California's rich agriculture industry.



**Editor's Note:** To listen to conference speakers, logon to [www.angusjournal.com](http://www.angusjournal.com), click on the 2002 National Angus Conference & Tour link, and click on Conference Schedule. Choose the speakers you want to listen to by clicking on their names.