



# Brand News

► News and highlights from Certified Angus Beef LLC\*

## A 'brand new' look

Take another look at the column header and you'll notice a new phrase has replaced the former "Highlights." This is still the section of the *Angus Journal* dedicated to news and highlights from Certified Angus Beef LLC (CAB), but the new name says that more directly. After all, this is the one brand of beef owned by the American Angus Association.

Take another look at the *Certified Angus Beef*® (CAB®) brand logo at the top of this page and you'll notice it's been updated, too. The original and time-honored CAB shield logo is still there, but it has been given a new premium look, says Tracey Erickson, CAB vice president. In surveys, 99% of respondents said the new mark met the stated goal of improving the CAB brand image.

The brand evaluation process began more than a year ago, with the goal of determining (1) consumer recognition and perception, (2) obstacles to creating brand awareness, and (3) possible enhancements to update and to "premiumize" the brand, Erickson says.

"While 86% of consumers recognized the brand mark — testimony to the commitment of our licensed partners — and the brand had greater recognition than any other Angus brand, there was some confusion about 'Angus' within the branded beef category," she explains. The survey also indicated the 23-year-old brand logo conveyed more a *bargain* than a *premium* image to some consumers.

The new mark maintains the familiarity of the original logo, Erickson says, but it addresses previous brand confusion by placing together the three-word trademarked phrase *Certified Angus Beef*, and "the richness of color and type now convey the upscale nature of the brand," she adds.

The gradual transition to the new look will take about two years.

## FLP monthly honors

The CAB Feedlot Partner of the Month for April was Heartland Feeders II, McCook, Neb., and Menlo, Kan. Cal Siegfried is the manager. Feedlot Partner of the Month for May was Darnall Feedlot, Harrisburg,

Neb. Gary Darnall is the manager there. The award, based on volume, quality, customer service and educational initiatives, includes a CAB value-added product luncheon for employees and eligibility for annual awards.

The April Quality Assurance (QA) Officer was Rhonda Sahr, El Oro Cattle Feeders, Moses Lake, Wash.; and the May QA Officer of the Month was Galen Mitchell, McPherson County Feeders, Marquette, Kan. The honorees won for their attention to detail, timely enrollment of eligible cattle, accurate tracking through harvest and general commitment to the success of the Feedlot Licensing Program (FLP). The award includes a gift package of CAB products and eligibility for the annual award featuring a trip for two to the National Finals Rodeo (NFR) in Las Vegas, Nev.

The FLP recently welcomed new licensed partner Aden Cattle Co., Gothenburg, Neb.; Jim Aden, manager. Call (785) 539-0123 for a complete and current list of feedlot licensees.

## Fewer cattle, higher acceptance rate

CAB has reported numbers for the first half (October 2000-March 2001) of its fiscal year. Mark McCully, CAB packing director, says 5 million Angus-type cattle were identified for the program, down 1.1% from the same time period during the previous year.

The percentage of Angus-influenced, black-hided fed cattle in the mix is actually increasing. "The lower identified numbers are a reflection of the reduction in overall, industrywide marketings," McCully says. Carcasses certified as CAB were up 4.3% to 981,000 head, which means 19.6% of identified cattle met all eight carcass specifications to become CAB product. That's up from 18.5% last year.

Through the first half of the year, CAB licensees sold 268.5 million pounds (lb.) of CAB product, the same tonnage reported for the first half of last year. "In the face of BSE (bovine spongiform encephalopathy) and foot-and-mouth disease (FMD) news, a sluggish U.S. economy, and high beef prices, the *Certified Angus Beef* brand has maintained strong demand," McCully says. "We're expecting improved strength in the retail sector through the summer grilling months."

## CAB joins historical venue

The Doe Run Inn near Louisville, Ky., has added the CAB brand to its deep history. The 100%-licensed CAB restaurant is well-known for its high-quality food and its



"The Olympic suppliership is helping us achieve what we are striving for," says Deanna Scrimger, Certified Angus Beef LLC (CAB) Olympic coordinator. That's widespread consumer recognition of the *Certified Angus Beef*® (CAB®) brand. This month the brand is launching a promotion that leverages consumer excitement about the Olympics to draw attention to the retail meatcase. The sweepstakes entices consumers with a chance to "Win an Olympic Trip," and touts CAB as a proud supplier to the 2002 Olympic Winter Games.

"The countertop display and rail card are displayed in the *Certified Angus Beef* brand section of the meatcase," Scrimger explains. "This is an exciting way for retail stores to let consumers know they are selling the brand."

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

unique historical setting. The restaurant is located on Doe Run Creek and was constructed by Abraham Lincoln's father in 1821. The land originally was owned by Daniel Boone's brother, Squire. To learn more about this newly licensed historical restaurant, visit its Web site at [www.doeruninn.com](http://www.doeruninn.com)

### Millions seek gold

"Gold Medal Grilling," a ready-to-print page, recently was developed for newspaper food sections by Family Features as a strategic partnership between CAB and Fetzer Vineyards. National distribution began May 2, with a circulation goal of 7 million. The feature had been used in 116 publications, covering 34 states, with a circulation of more than 4 million as of June 18.

Fetzer is located in Hopland, Calif., and has been making commercial wines since 1968. The "Gold Medal Grilling" title has two meanings as it ties in grilling and the Olympics, according to Terry Bustamante, Family Features account manager. The feature also highlights the brand's Olympic suppliership through a sweepstakes.

"We're really excited here because the newspaper *The Oregonian* (in Portland, Ore.) requested the page. Their circulation is 347,538; and they are very picky about the material they use," Bustamante says, adding, "Chef John Ash is a highlight that sets this feature above other food pages."



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## Exchange of ideas with producers

Certified Angus Beef LLC (CAB) played host to four Angus seedstock producers and a national beef magazine editor at its June 11-13 Building Blocks for Success seminar in Wooster, Ohio. The group learned details of how CAB works, then they turned the tables.

A wealth of breeding knowledge, the producers shared insight on management and how to stay profitable in the cattle business. The answer can be summed up in one word: *Angus*.

Darrell Stevenson is a partner in Stevenson-Basin Inc., Hobson, Mont., which sells 1,400 bulls throughout the country annually. This spring the ranch used artificial insemination (AI) to breed approximately 4,500 cows and heifers.

"With this approach (AI) we are injecting more predictability into our program, with a superior carcass one of the main goals," Stevenson says.

He laid out three targets in making a herd more profitable, beginning with the productivity and efficiency of the Angus cow. Fertility, adaptability and mothering ability all make this the breed of choice for the Stevenson-Basin outfit. The feed-conversion rate is a close second.

"The less time the steer or heifer is on feed, the sooner you're going to get a return on your buck," Stevenson says. Finally, he points to the desirable marbling trait in Angus cattle, while emphasizing the importance of balancing breeding traits.

"We've got a well-oiled genetic machine, and we can do anything we want with it," Stevenson adds.

Jack Evans, EE Ranches Inc., Winona, Miss., and Fall River, Kan., presented the opportunities and challenges of Angus breeding in the Southeast. The climate, insects, increased rainfall and the influence of Brahman cattle all play into the cattle management schemes. Evans spoke on the importance of knowing his customers.

"I really like to work one-on-one," Evans says. "I get to know my customers and their cow herds. I know their dog's name and what sports their kids play." This down-home customer service is partly responsible for sales of more than 40% percent of this year's bulls before weaning.

Chuck Brost, Anderson Circle Farm, Harrodsburg, Ky., provides Angus purebred cattle, commercial cows and feedlot connections in hopes of keeping up with the tremendous demand for Angus cattle in Kentucky. Brost only uses proven herd sires touting carcass expected progeny



differences (EPDs) in the top percentiles of the breed.

Brost focuses on the mass production of bulls with uniformity, performance, functionality and quality carcass traits. It's paying off for Anderson Circle, which recently sold 86 bulls for an average of about \$2,500. The farm has been insonating (scanning via ultrasound) bulls and heifers for more than three years in an effort to identify the genetics that will raise them to the next level.

"As seedstock producers, it is our job to find the best genetics and get them out into the population," Brost adds. "Once you start stacking the carcass generations, the progress is amazing."

Dean Bryant, manager of Roseda Farm, Monkton, Md., aims at the higher marbling targets established by CAB and rewarded by the value-based markets (see "What's Possible," page 99). He applies basic statistical analysis to information in the American Angus Association *Sire Evaluation Report* to look at possibilities. "Our goal is to focus on carcass and produce a product that young people can grow up enjoying," Bryant says.

Greg Henderson, editor and associate publisher of *Drovers*, explained his magazine's position in the Vance Publications family that covers all aspects of the food chain. "We encourage our readers to see that they aren't just producing beef cattle, they are producing food," he says.

Henderson challenges Angus producers and CAB staff to live up to the weight of responsibility they take on by virtue of being the leading breed and branded beef in the world. "You aren't in elected positions, but you lead the industry," he points out.

The producers agree that education, communication, acceptance of technology and a uniform product are essential for continued success in this business. Working together for the breed will keep Angus on top, they say.

"The advancement that the American Angus Association and the capabilities that CAB has given us through marketability of black cattle has leapfrogged us far ahead of the rest of the breeds," Stevenson concludes.

► Above: From left, Greg Henderson, Dean Bryant, Darrell Stevenson, Chuck Brost and Jack Evans formed a panel after their presentations.

**CAB® beefs up in Japan**

Japan's beef production continues to decline while its red-meat consumption rises. Japanese wholesalers, retailers and foodservice operators are searching for a product that will live up to their clients' demands for premium quality and reliable food safety.

Wanting beef that consistently exceeds those demands, 15 representatives of the Japanese retail industry recently visited North America. They experienced firsthand Western beef production and received an in-depth overview of the *Certified Angus Beef®* (CAB®) brand.

Japan is the brand's largest international market.

The group attended background sessions at the Certified Angus Beef LLC (CAB) executive offices in Wooster, Ohio. Next, they visited grocery stores in nearby metropolitan communities. They then headed west to tour a packing facility in South Dakota and more groceries in British Columbia.

Understanding the vast operational differences between the U.S. and Japanese beef industries was the group's first challenge, says Mark McCully, CAB packing director.

Japanese identify quality with the source of the product. Domestically, they identify beef brands with the geographic region in which it is raised and harvested.

"Giving them a clear understanding about different U.S. regions' major input in our beef supply was very important," McCully says, noting many cow-calf enterprises are located in the Southeast while the feedlots are on the High Plains. "Then we looked at how each segment of our industry reacts differently to economic changes in the market."

The Japanese domestic market is relatively stable because the space to expand production during economic upturns isn't

**Hitting the target**

The Feedlot Licensing Program (FLP) honors Partners who harvest qualifying groups of cattle with at least a 30% Prime or *Certified Angus Beef®* (CAB®) acceptance rate and that are free of discount carcasses. There is no minimum group size because sorting is encouraged. Winning groups' enrollment fees are refunded. Here's a summary of accomplishments from the May data closings.

FLP PARTNER	NO. HEAD	SEX	% YG1&2	%CAB®
Heartland Feeders II	23	H	47.8	37
Heartland Feeders II	33	S	63.6	30
Hergert Feeding Co.	69	H	47.8	30
Hergert Land & Cattle Co.	21	H	9.5	50
Hergert Land & Cattle Co.	19	S	21.1	32
Hergert Land & Cattle Co.	40	H	60.0	40
Hergert Land & Cattle Co.	19	S	21.1	68
Irsik & Doll Feedyard	21	H	19.0	43
Roland & Gayle Pudenz Feedlot	32	S	37.5	41
Sandhills Cattle Feeding Inc.	17	S	47.1	35

*Other Partners with 30-0 pens fewer than 10 head: McPherson County Feeders Inc.*

available, says Heidi Scheffler, CAB assistant director for Asia.

"With their consumption of beef increasing and quality so important to the Japanese, they are looking to the *Certified Angus Beef* brand," she says. "Our high standards on marbling are one important consideration for them. They were also delighted to learn that the brand offers Prime product."

As different as the countries' beef production methods are, the two cultures share consumer trends. The need for home-meal replacements (HMRs) is growing in both countries.

Most Japanese efforts in HMR are handled at the retail level by marinating and

preparing different items, such as shish kabobs and roasts. The visitors showed significant interest in HMRs during their tours of CAB-licensed retailers. They gained insight on the variety of products offered,



▶ Cutting specifications are different for the Japanese market. Most of the beef they consume is used in a hot pot and their traditional grilling dishes, such as yakiniku, shown here.

presentation and the need to maintain superior quality for consumers.

"It shows foresight by the retailers to take the incentive to target their consumers' future demands," Scheffler says. "It has been only the past year or so that Japanese consumers have shown an interest in

these products. The trends in Japan are following the U.S. trends. Like us, many things are making them feel time-starved—two careers, less time at home and numerous activities."



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