



Brand News

► News and highlights from Certified Angus Beef LLC*

CAB in the Middle East

The Middle East is the sixth-largest overseas market for U.S. beef, and the U.S. Department of Agriculture (USDA) forecasts strong economic growth of 3%-5% for the Persian Gulf countries this year.

"The region is experiencing growth supported by higher oil revenues, expansionary fiscal policies and lower interest rates," says Mark Spengler, International Division director of Certified Angus Beef LLC (CAB). "The prospect of participating in construction contracts and exports to rebuild Iraq is also a factor."

The division recently solidified the brand's distribution base in the Middle East by licensing distributors Azzad Trading Group in Kuwait and Faisal Al Nusif in Dubai. Azzad general manager Thomas Joseph knows the *Certified Angus Beef*® (CAB®) brand well and has been a key to its growth in this market for several years, Spengler says. Thomas Das, general manager of Faisal Al Nusif, led the brand in the market last year with a 40% gain in sales compared to 2002 figures.

CAB sales began expanding in Kuwait in 1994. Two years later, Azzad representatives showed interest in the brand, but did not actually become licensed until 2003. That allowed it to increase volume goals with confidence and use the brand in sales efforts.

"There are opportunities to expand chilled CAB product into the market," Spengler says. "And U.S. suppliers can provide beef to the Coalition Forces stationed in the Middle East."

Another avenue of opportunity lies in the hotel, restaurant and institution (HRI) industry throughout the region. Large contractors have been assigned to rebuild Iraq, and they are spending money in local HRI businesses. The market demand is dominated by rib and loin cuts for high-end outlets, and by end meats for grinding into hamburgers for international chain accounts.

"At present, most Middle East CAB sales are in HRI," Spengler says. "We only have one licensed restaurant chain in Kuwait, but we hope that with the licensing of Azzad, we will be able to engage the market more aggressively. The Middle East population is growing at about 3% per annum. This, along with continuously improving per capita income, will become drivers for increased demand for CAB product."

Spengler says bovine spongiform encephalopathy (BSE) and foot-and-mouth disease (FMD) have forced many European beef suppliers out of the market, making room for more U.S. beef.

"The CAB brand has the potential to dominate the grain-finished category to the HRI sector," Spengler says. "The major competition in the beef arena comes from Australia and New Zealand, but it's in a lower-grade arena."

Super Bowl beef

Consumers demand flavor first, and Levonian Bros. Inc., a CAB-licensed processor in Troy, N.Y., is surpassing expectations.

Levonian Bros. sent its CAB brand Prime deli meats to the NCBA New Product and Culinary Center in Chicago. The Center evaluates hundreds of new beef products every year and had positive comments for Levonian.

In a congratulatory letter, Carl Blackwell, executive director of the center, wrote, "... Rarely have I heard more positive responses than I heard about your *Certified Angus Beef* brand Prime deli meats. I would safely say that, to date, no deli product has ever been better received by staff."

CAB deli meats account for 42% of the brand's value-added product sales. All CAB roast beef, corned beef, pastrami, bologna and other deli items provide full beef flavor and texture without monosodium glutamate (MSG), soy or extra water. The "Red Pepper Corned Beef Sandwich" is a recipe that can be enjoyed during the Super Bowl or anytime.



Red Pepper Corned Beef Sandwich (Serves 6)

- 1½ lb. *Certified Angus Beef*® deli corned beef, thinly sliced
- 6 French-style rolls, split
- 4 oz. Havarti cheese, sliced
- 8 oz. roasted red bell peppers
- 1 medium sweet onion, thinly sliced
- 2 Tbs. horseradish mustard

Place beef on bottom of roll; top with cheese, peppers and onion.

Place under broiler until hot and until cheese melts.

Remove from broiler. Add horseradish mustard, place roll on top and serve.

Nutritional information per serving: calories, 356.4; total fat, 14.0 g; saturated fat, 6.4 g; cholesterol, 71 mg; carbohydrates, 23.9 g; protein, 30.4 g; sodium, 1,142 mg; and iron, 1.5 mg.

CONTINUED ON PAGE 98

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TOLL-FREE CAB FLAVOR FINDER

A source for recipe ideas, storage and handling tips, restaurant listings, retail store locations, and cooking information.

1-877-2-EAT-CAB

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

Partnering in Advance

Surpassing competition from other protein sources in the value-added products arena is becoming a reality, thanks to efforts by manufacturers like Advance Food Co., Enid, Okla., and W&G Marketing Co. Inc., Ames, Iowa. Both companies have introduced new CAB items that are easily

prepared and popular with consumers.

One of the newest products to make the list of consumer favorites is cheeseburger fries. The fries were recently featured on ABC's *Good Morning America* and in the September issue of *The New York Times*. Capitalizing on America's love of

hamburgers, the appetizers are made from ground beef, cheese and breading. Advance Food Co. developed cheeseburger fries in partnership with the National Cattlemen's Beef Association (NCBA) R&D Ranch.

The partnership was a direct result of the growing popularity of protein-based appetizers. Advance offers two flavors — regular and jalapeño versions that can be served alone or as ingredients in entrées, salads and sandwiches.

W&G Marketing is also in the game with popular convenience items. However, it lacked the distribution and marketing resources to promote its new CAB smoked beef brisket and shredded BBQ beef. The company developed a partnership with Advance that has evolved into a beneficial relationship for both companies. Advance doesn't carry a smoked line of CAB items, but it does have the marketing and sales teams to move product. Together, Advance and W&G have begun touting a smoked line of CAB value-added items.

Advance has also introduced fully cooked CAB Italian-style meatballs. Hudson Meat Co., Columbus, Ohio, recently began marketing a CAB Italian roast beef.

October On-Target honorees^a

Wheeler Feed Yard Inc., Wheeler, Texas, was named Certified Angus Beef LLC (CAB) Feedlot Partner of the Month for October 2003. The father-son team of Don and Stacy McCasland began seeking out higher-quality, Angus-influenced cattle in fall 2002, months before licensing, says CAB feedlot specialist Paul Dykstra. "They decided to change their focus from commodity beef to quality beef production." Since licensing last spring, the feedlot has harvested 3,485 head of cattle with data retrieved in cooperation with CAB.

Ryan Loseke, owner of Loseke Feedyards, Columbus, Neb., is the October Quality Assurance (QA) Officer of the Month. "Ryan has been very active in enrolling cattle in the Feedlot-Licensing Program (FLP) since licensing in April," Dykstra says. "He focuses on nothing but the best cattle he can procure and reaps the rewards when the finished product is valued on the rail." Loseke shares data with Angus ranchers, too, and recently enrolled three groups of steers in the 2004 National Angus Carcass Challenge (NACC).

Monthly awards are part of the FLP "Spotlight Award" series based on volume, quality, customer service and attention to detail. Winners receive CAB value-added products and eligibility for annual awards. The FLP also honors partners who harvest 30-0 groups of cattle that have at least a 30% Prime or CAB-acceptance rate and are free of discount carcasses. Here's a summary of accomplishments from data reported in October.



Licensed CAB® feedyard	Head	Sex ^b	%YG 1&2	%CAB	%Prime
Gregory Feedlots Inc.	13	H	15.4	60.0	0.0
Beller Feedlots	28*	H	25.0	46.4	0.0
Hora Prime Beef	13*	M	46.2	38.5	23.1
Schmitz Feedlot LLC	17	S	35.3	37.5	0.0
Silver Creek Feeders Inc.	39*	S	56.4	35.9	0.0
McGinley-Schilz Feedyard Ltd.	18*	H	33.4	33.3	11.1

Honorable mentions	Head	Sex ^b	%YG 1&2	%CAB	%Prime
Schmitz Feedlot LLC	21	S	19.0	66.7	0.0
Schmitz Feedlot LLC	10	S	10.0	50.0	10.0
Beller Feedlots	21*	H	9.5	47.6	0.0
Darr Feedlot Inc.	34*	H	17.6	47.1	0.0
Beller Feedlots	17*	H	41.2	47.1	5.9
Hergert Feeding Co.	27	H	33.3	44.4	0.0
MPK Land and Livestock LLC	35*	M	71.4	42.9	0.0
Schmitz Feedlot LLC	16	S	43.8	38.5	6.3
Hergert Feeding Co.	38	H	18.4	38.2	7.9
Beller Corp.	71*	S	29.6	38.0	4.2
Schmitz Feedlot LLC	12	S	50.0	37.5	0.0
Schmitz Feedlot LLC	18	S	16.7	35.7	0.0
Schmitz Feedlot LLC	10	S	50.0	33.3	0.0
Schmitz Feedlot LLC	10	S	50.0	33.3	0.0
Beller Corp.	94*	S	12.8	28.7	1.1
Schmitz Feedlot LLC	18	S	94.5	27.3	5.6

^aIn the On-Target "30-0" program, the FLP honors partners that harvest qualifying groups of cattle with at least a 30% Prime or CAB acceptance rate that are free of discount carcasses. There is no minimum group size because sorting is encouraged to bring out the best in each animal. Honorable mention groups stood out for CAB acceptance, but contained discount cattle for one reason or another.

^bH=heifers; M=mixed; S=steers.

*Indicates 100% CAB eligible. Acceptance rate figured on eligible portion.

Call (785) 539-0123 or visit www.cabfeedlots.com for a complete and current list of feedlot licensees.

Back to the drawing board

It's the raw materials that perfect a product. CAB's value-added products team is working to ensure each product is the best it can be.

The value-added products team has been testing single-muscle cuts at varying cooking times and temperatures to determine what raw material would make the ultimate pot roast. Using a single muscle as a raw material source has its advantages, such as little to no seam fat (found between muscles) and more consistent meat texture and tenderness. In addition to solving the fat problem, using a single muscle for pot roast will allow cooking time and temperature to be designed specifically for the muscle used. That's because each muscle has different properties that affect the way it cooks.

While CAB pot roasts excel in flavor and juiciness, they may have excess fat. Most CAB processors make pot roast from the chuck roll, a multi-muscle complex that contains a large amount of seam fat. If the fat is not trimmed out properly, it can lead to excess fat — and a dissatisfied customer.

Keeping the same flavor and eliminating seam fat will improve CAB pot roasts and result in a more pleasing product for consumers.



Letter from a chef

I have been using *Certified Angus Beef*[®] (CAB[®]) prime rib from Food Services of America for several years. All the other meat companies in town would tell me that they could match the quality of the CAB brand and save me some money. So each year, I would tell them to all bring their best prime rib to the restaurant.

I would prepare each of the ribs the same way we do for the menu. We remove them from the Cryovac[®] package and crust them with a dry rub. Then we put them on a sheet pan in the walk-in cooler for two to three days. Then we smoke the ribs on our mesquite rotisserie for about four hours and chill again. The following day, we submerge them in rock salt and slow roast for another four hours. Each and every time we did this, the CAB prime rib was selected as superior to every other prime rib we tried. So we serve only CAB prime rib on our menu.

I hadn't repeated this cutting for at least three years, because I am so convinced that CAB is not only the most flavorful and tender, but also the most consistent product on the market. Our prime rib has become our No. 1 seller, a testimony to the quality of the product and the care that we take to prepare it.

Like many operators, in late August when

the beef market was beginning to spike, I made a very large (for us) purchase of CAB prime rib — enough to last about six weeks. I made another purchase of the same size in early October. In November, when it was time to make another purchase, the price of our prime rib had risen nearly 50% since August. Taking it off the menu was not an option, since it's still our best-seller. But I tried to show our management team where we could make a few other changes on the menu that would help offset the cost of the prime rib.

The owner suggested I try buying prime rib from the company that his other restaurant was buying from — a low-grade Choice product. I argued that our guests have set the bar on the quality they expect, and that it would be a huge mistake to change our quality standard only to try to save money. He argued that it was good enough for his other restaurant, and since I hadn't cut the CAB against another product in a couple of years, that I didn't know for sure if it would not be as good as the CAB rib.

Reluctantly, I agreed to bring in one of the "brand X" prime ribs, knowing full well what the result would be. We went through the entire preparation process, and then cooked it and the CAB rib. I asked my sous chef to

slice a piece from each rib in the same place and mark them so that he alone would know which rib was which. Meanwhile, I rounded up our management team and owner.

Not surprisingly, several of us recognized which was the CAB rib just by looking — as always, a perfect-sized eye and the beautiful marbling gave it away. Without saying anything, I asked everyone to taste each one and tell me which rib they preferred. The flavor and texture of the CAB rib was so far superior to the other rib that we questioned how our other restaurant could even consider serving that brand X prime rib!

I pass this story along as a testimony and an encouragement for you in this difficult time in the beef market. I attended the [CAB] Stampede in New Orleans, La., this fall and enjoyed it completely, learning why CAB beats everything else. I know that many restaurateurs are very concerned with their own results, their sales are still down, and costs continue to rise. I just wanted to let you know that you have a great program and that you are doing a great job. *Certified Angus Beef* is the best, most consistent product on the market, and you have a big fan here in Portland.

— **Scott Neuman, executive chef at a restaurant in Portland, Ore.**