from the office

LEAD IN

by Dr. C.K. Allen Executive Vice President American Angus Assn.

A milestone for the Angus business was marked the first week in September when the millionth pound of Certified Angus Beef was processed. This represents 30 carloads of beef produced and marketed since the program began.

The CAB program was introduced on a trial basis in October 1978, but the first expansion did not come until April 1979 because of a tangle with the U.S. Dept. of Agriculture. Since that time the program has grown rapidly. At the rate Angus beef is being sold today, the second million pounds of Certified Angus Beef will be processed within the next six months.

There have been a number of recent developments in the CAB program that will have a substantial and long-term impact on the success of the program.

Developments

In Missouri, where the program has been most successful, there are 13 retailers merchandising Certified Angus Beef that is produced by a Columbia, Mo., packing plant.

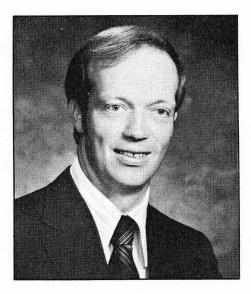
There is now a CAB distributor in Boston being supplied by a packing plant owned by one of the large national packers. There are eight stores in the Boston-New England area already selling Certified Angus Beef, and more are expected to sign up soon.

Two CAB representatives are now working on a consulting basis with the program. These men, who know the beef and retail business, have helped expand the program.

And, finally, the first Certified Angus Beef restaurant will open soon. A successful restaurant program will be an important addition to CAB, because it will provide an outlet for the higher priced steaks and roasts and will give more CAB chucks and rounds for the supermarkets to merchandise.

Publicity

The CAB program has been successful far beyond the fact that it has created a special market for 30 carloads of Angus beef. One of its major successes has been the amount of publicity it has generated in national and regional farm publications, in the packer and retailer trade press, and in



daily and weekly newspapers.

The CAB program is possible because the Angus breed is unique. Ours is the only breed to excel in a combination of carcass quality and carcass leanness. No doubt any breed can find a few representatives to meet the stringent requirements for the CAB program, but I am confident that no other breed could get a high enough percentage of slaughter steers and heifers to meet the high CAB standards to make it worthwhile to implement such a program.

Timing also has played an important role in the success of CAB. Broadening of the USDA quality grading standards resulted in approximately 85% of all fed cattle that are graded being graded choice. This has produced wide variations within the choice grade in maturity (age), marbling and cutability. The Certified Angus Beef program accepts only a small part of the choice and prime grades. The CAB carcasses are uniform in all these traits and highly acceptable to the retailer and the consumer. **CAB Carcasses**

In addition to being from Angus cattle, CAB carcasses must meet the following seven qualifications:

- 1. Have at least modest (average choice) marbling.
- 2. Fall within the "A" maturity range.
- 3. Yield grade 3 or better for prime and no higher than the mid-point of the 3 grade for choice.
- 4. Lean must be within the "fine" texture range.
- 5. Have fine to medium marbling texture.
- 6. Color of lean must be slightly dark red or lighter.
- 7. Meat must be moderately firm, with no indication of softness.

Because of these standards of excellence, the Certified Angus Beef program fills a void by identifying a product that is predictable and that will satisfy people who desire high quality beef. A substantial number of consumers are looking for high quality beef that is not excessively fat, and it has been well documented that they are willing to pay a few pennies extra per pound to get it.

Challenges Ahead

Despite its success, the CAB program still has challenges to meet and obstacles to overcome in the years ahead. A national supply and national availability must be established. There will be further growth and development of the CAB procedures and development of promotional programs from revenue produced by the program. And I believe we will have a tremendous expansion into the hotel and restaurant trade.

One of the challenges will come when CAB moves into phase two and attempts to identify Angus calves on farms and ranches, then follow these calves all the way through the production process. Tentative plans call for rebating premiums to producers of Angus cattle in this phase of the program, and it offers tremendous potential for collecting large quantities of carcass information for future breed improvement.

Angus breeders should be proud that their breed has the genetic constitution to make the CAB program possible and practical. And they should be proud that their breed and their association has pioneered once again.