

# A Unique Opportunity

*How's and why's of the CAB Feeding Trial and Carcass Contest*

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**T**he Certified Angus Beef (CAB) Program has grown to become the most successful branded beef program in existence. With nearly seven million pounds being sold monthly throughout the United States and abroad, it can be viewed as a model for value-based marketing.

The success continues to grow in spite of negative publicity about beef and the effects of animal fats and cholesterol. The program proves that many people will pay a premium for consistent, high quality beef from Angus and Angus crossbred cattle.

However, the future of the CAB Program is being challenged as never before by the steadily decreasing acceptance percentage of eligible Angus and Angus crossbred cattle qualifying for CAB carcass specifications.

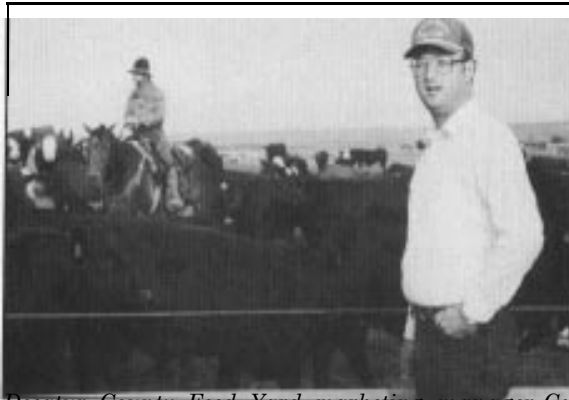
Presently, the percentage of eligible cattle (predominantly black hided, typical beef type conformation and without hump or long ear) that meet the carcass specification (modest or higher marbling score, "A" maturity and yield grade 3.9 or leaner) has fallen to a point where only one of every five, or about 20 percent, of the eligible steers or heifers meet the specifications.

This is down three percent from last year and nearly five percent from the year before. If this trend continues, within two years the figure will be one out of every six.

It is obvious how this has an impact on the future growth of CAB as well as the profitability of the licensed packers, distributors and end users of the product. But more significant to producers, is the negative incentive it provides for packers to pay premium prices for Angus and Angus crossbred cattle. Packers cannot justify paying premiums for cattle based on such a low acceptance percentage.

Marbling is the deficiency in most cat-

tle which fail to meet CAB specifications. The current structure of the cattle industry has become more efficient in growing and finishing cattle for slaughter. Through the use of improved technology in management, coupled with growth promoting implants and feed additives, feedlots are now marketing cattle at younger ages while still at the same or heavier weights than a few years ago. These practices, in general, are antagonistic to mar-



*Decatur County Feed Yard marketing manager Cal Siegfried is ready to host the CAB Feeding Trial. The feedyard is located near Oberlin, Kan.*

bling but are necessary to stay competitive in the cattle feeding industry

The American Angus Association carcass evaluation data has demonstrated that marbling is about 35 percent heritable. Progeny of certain Angus bulls perform better than others in producing above average levels of marbling at young ages while not producing excessive waste fat. The American Angus Association is the only breed organization to have an ongoing sire evaluation for carcass performance capabilities of progeny from registered Angus seedstock.

Although feeding programs and environmental differences certainly have a major influence on cattle's ability to produce marbling, through sire evaluation for carcass traits, producers have the opportunity

to identify predictable genetics that can significantly improve CAB acceptance in any feeding or management situation.

The problem is that many of these superior genetics are as yet undetected. It may take many years through our existing programs to identify them. Also, it is difficult for producers to obtain carcass information on their calves, particularly when they do not own those calves through the feeding period prior to slaughter.

The CAB supply development division has a carcass data program that assists producers in collection of feedlot and carcass performance information, whether or not the producers retain ownership in the feedlot. However, because of lack of a value-based incentive, many producers have not significantly concerned themselves about obtaining this information on a regular basis.

The National Cattlemen's Association recently released the final report from their Value-Based Marketing Task Force. This task force included producers (commercial and seedstock), packers, retailers, cattle feeders and animal scientists. In the report eight consensus points were identified. The first six were primarily aimed at packers and retailers; the last two points were aimed specifically at cattle producers and feeders. These points are:

## CONSENSUS POINT 7

***Fed cattle should be valued on an individual carcass basis rather than on an average live price basis.***

*"Selling fed cattle on an average live bid basis obscures the flow of information about carcass value differences from the packer to the feeder to the producer. The Task Force agrees that the industry should evolve toward a system of selling*

cattle on a carcass merit basis. This would make value differences among cattle more apparent and would stimulate improvement in genetics and management system. It also would reduce the amount of wasteful fat production while maintaining quality and palatability standards."

## CONSENSUS POINT 8

**The beef industry should conduct research aimed at clearly identifying the genetics of carcass merit.**

*"Current sire evaluation programs provide very little, if any carcass data. This lack of information has limited the U.S. seedstock and commercial producer's ability to select sires whose offspring will express desirable carcass characteristics of lean composition and taste qualities. Producers must obtain the ability to select young seedstock whose progeny will produce carcasses that enhance the taste appeal, nutritional image and subsequent demand for beef"*

**The signals are clear** for a change in the beef industry. The American Angus Association is currently in a leadership position, identifying genetic potential and predictability of carcass merit. The revised Angus sire summaries will provide producers with not only EPDs for growth traits but also EPDs for rib eye area, carcass weight and marbling.

All of the carcasses in the evaluation are adjusted to a fat thickness of .4 inches, or the equivalent of a preliminary yield grade of 3.0. Therefore, by choosing higher marbling sires, Angus producers can genetically increase CAB acceptance without increasing fat thickness. Angus producers now have the tools available to predict or to improve performance from conception to consumption with a degree of accuracy unmatched by any other breed.

The need to identify more sires which can predictably maintain or increase marbling while minimizing waste fat has never been greater. However, a random evaluation may take many years before superior sires are recognized through our existing programs. We simply cannot afford to wait that long.

The CAB Carcass Data Program is a key advantage for Angus producers, both seedstock and commercial, to gain information on the progeny of Angus bulls or simply to monitor carcass merit in their herds. No other breed association or service organization offers a complete car-

cass information service at the level of reliability and low cost as what is provided by Certified Angus Beef.

Complete data is available for \$1.50 per head. This service was a significant factor in allowing 44 new sires to be added to the spring 1990 Angus sire evaluation report. The Carcass Data Program, combined with structured sire evaluation for carcass merit, will keep Angus breeders miles ahead in the future of value-based marketing.

Additionally, we have organized the first CAB Feedlot Gain and Carcass Contest with hopes of it being a major catalyst to create increased interest in identifying superior genetics, provide producers information about CAB qualification and provide incentives to producers of cattle with above average carcass quality. The interest so far has been overwhelming. We expect 1,000 or more steers this first year.

The contest will allow producers of practically any size to compete on an equal basis for valuable prizes based on the feedlot and carcass performance capabilities of their calves. An entry will consist of five or six Angus or Angus crossbred steers which meet live animal specifications for CAB and are sired by registered Angus bulls.

Although not everyone will be able to take home the grand prize of \$5,000, or the many other cash prizes, every producer will benefit from the valuable information received on the individual performance of each steer entered.

Seedstock producers also have the additional opportunity to sponsor producers who use or buy bulls from them by paying all or part of their entry fee. By sponsoring entries, seedstock producers can project confidence and appreciation to their customers as well as gain recognition if the progeny of their bulls perform well in the contest. But most importantly, the contest may provide an opportunity to surface unrecognized genetic potential of certain sires or sire lines which, through further testing, could be identified as predictably able to increase CAB acceptance without jeopardizing production efficiency.

Jan Lyons, of Lyons Angus Ranch, Manhattan, Kan., says, "We want our bulls to perform well for our customers, not just on the ranch but through the feedlot and packing plant as well."

Frank and Jan Lyons own a registered Angus herd and sell performance tested seedstock to many commercial cattle producers in Kansas. They are encouraging some of their regular customers in

Kansas to enter the contest by paying half of the entry fee.

"The contest helps our customers learn more about carcass traits and gives us information that may help direct our breeding program toward finding the best balance of growth and carcass performance," she says. "We (seedstock producers) need to become more aware of which sires and sire lines will be effective in genetically producing carcasses to fit the needs of consumers."

The information obtained from the contest will benefit not only producers but also cattle feeders. Many other beef industry professionals will also gain knowledge of genetic performance differences in the Angus cattle represented in the contest.

Fred Knop, editor of *Drovers Journal* magazine, stated in an editorial in the June 1990 issue: "Producers will see how their genetics square up with their value claims and gain experience in building on those genetics through retained ownership. . . Both parties (producers and feeders) will gain valuable experience with on-the-rail selling, where the expectations and realities of both breeding and feeding must finally come together."

Knop also said, "The industry may also learn something about feeding younger animals, which some strongly advocate."

**Warren Weibert**, owner/manager of Decatur County Feed Yard and past president of the Kansas Livestock Association, believes the feedlot industry has much to gain from this and similar contests.

"From this contest, we will learn which producers have cattle with better health, more growth potential and the ability to reach optimum finish at a young age," he says.

Weibert also believes producers will benefit from better understanding the benefits of retained ownership in a custom feedlot. "The contest will be a small-scale retained ownership situation, where a producer with only five or six steers will have all the same benefits of producers feeding much larger numbers of cattle. Furthermore, I believe contests such as this one provide producers a low risk, high reward opportunity to realize the potential of their calves in order to market them at optimum value. The contest is a tool that will help keep the American Angus Association the leader toward achievement of value-based marketing."

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