

Meeting Demand Tomorrow Requires Thought Today

Feeding Quality Forum addresses technology, consumer perception, markets.

Story and photos by Morgan Boecker, Certified Angus Beef

Cattlemen have made much progress in efficiency and quality, but will it be enough to continue meeting consumer demands?

The 2021 Feeding Quality Forum hosted Aug. 24-25 in Fort Collins, Colo., provided answers. Speakers at the Certified Angus Beef (CAB) seminar said there's more upside potential for beef than ever, but there are new challenges, too.

Global market drivers

"When you look at the increase of eating at home, when you look at disposable income, beef consumption rates are turning back up. So, the demand profile is really strong, especially when I dial in the export markets," said Dan Basse,



president of AgResource Company, noting record-high shipments to China. "There has not been a better demand period that I can see for beef looking backwards for the past 10 or 15 years. The long term for cattle looks really quite extraordinary and bullish for the next couple of years."

While price should strengthen for their commodity, cattle producers should work to manage feed costs, Basse said. Severe weather challenges in the United States, Russia, Brazil

and Argentina have brought a shortage of corn stocks, and world corn trade is still strong.

"I don't think corn prices are going back to anything with a sub-five in front of it for the years to come," he said.

Many cattlemen took a hard look at their feeding programs during the pandemic, mostly because of limited harvest capacity extending days on feed. That included completely changing their technology usage.

Brad Johnson, meat scientist at Texas Tech University, surveyed cattle feeders in his region and found feeding ractopamine is not back to pre-pandemic levels and may not ever return to them.

When cattle were backed up on feed during spring of 2020 and beta-agonists taken out of the ration, feeders and their consultants found those added days made up for the absence of the technology.

"You've heard about our export potential. It keeps getting bigger and bigger every year, and of course the big one is China now," he said. "China still has a zero tolerance for all beta-agonists."

The trend in usage is yet to be determined, but the market disruption taught cattle feeders some lessons of how to manage cattle without it, he said.



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Looking at that same period in hindsight, CAB analyzed nearly 8 million Angus-type fed cattle to see how increasing hot carcass weights (HCW) affect CAB acceptance.

“We see HCW at 40- to 50-pound (lb.) swings to 70-lb. or greater swings between those seasonal lows to seasonal highs,” said Clint Walenciak, director of product services, noting 20 lb. is a big adjustment in 12 months.

Black-hided cattle must meet 10 carcass specifications to qualify for the brand, but HCW, marbling, ribeye size and backfat are the four that most commonly keep cattle from CAB acceptance.

The data revealed a positive trend between HCW and marbling, but as weight increased, so did ribeye and backfat — two traits where more isn’t always better.

“When average fed-cattle HCW gets above 900 pounds, we’re going to start kicking out more and more cattle,” explained Daniel Clark, CAB meat scientist. “Below 850 lb., then the cattle probably just aren’t reaching their genetic potential.”

Technology and conversation, part of the equation

Doing more with less is at the heart of all sustainability conversations, but Kim Stackhouse-Lawson, director of AgNext at Colorado State University (CSU), noted science and emotion are on equal footing when those conversations extend beyond production agriculture.

Data shows beef can be a sustainable product, but consumers are often faced with a polarizing narrative that challenges their values. “Emotion wins every time” when it comes to a food brand, she said.

“The impact of beef on climate is measured and reported differently

depending upon what segment of the business you’re in, and it’s wicked complex, which makes communicating about it even more difficult,” Stackhouse-Lawson said.

She shared that the beef industry still has an incredible story to tell from an effect on a product-produced basis. Livestock’s contribution to total U.S. greenhouse gas emissions (GHG) is only 3.8%, but that’s up 20.7% since 1990.

“We’re starting to lose control of that narrative because overall

emissions are still increasing,” she said.

This evolving landscape of customer expectations directs regulatory changes. It’s why JBS joined other beef processing companies and announced a climate goal to reach global net zero GHG emissions by 2040.

“This wasn’t just an idea on a whim of something that we wanted to do,” said Nikki Richardson, head of communications for JBS USA.

More of the best, please.

For those on the sale side of the equation, more demand means higher prices. To those buying beef, that means it’s getting more difficult to source product.

A panel of Certified Angus Beef (CAB) partners shared their point of view during this summer’s Feeding Quality Forum. Dale Zimmerman, owner of two North Dakota restaurants, said the initial shutdowns were the toughest times he has ever seen in the industry, both from a business standpoint and an emotional standpoint.

Even after reopening, the challenges of supply shortages and hurdles linger on.

“The customers think that we have printed menus that are disposable because of COVID. It’s because we don’t know what we’re going to have in the cooler that day,” he said. “The supply issue has been devastating, and it is a full-time job trying to keep up with the markets on what customers want has flipped, and nobody knows what’s going on.”

Victoria Philips, president of Lombardi Brothers Meats, supplies establishments like Zimmerman’s and tries to help them make sense of the market.

“Our biggest issue is definitely the supply,” Philips said.

When restaurateurs cannot get their regular product, Philips and her team help them find beef and develop creative ways to apply it on menus. In many cases, price point is no longer the biggest obstacle, she said.

“Our job is to make sure we get the product restaurants need,” she said. “And that can change overnight.”

Long-term she asked cattlemen to continue to focus on producing the best.

“I’m looking at you guys who are out there at the very beginning of all this — keep, keep, keep growing and raising black Angus beef. I think what we’re finding out is ... everyone wants quality.”

Retail has stepped up their offerings, and the restaurant trade still wants the highly marbled beef.

“All of a sudden, quality in the same amount of cattle is getting stretched very thin,” she said.



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“We have to find a way to manage from an individual perspective.” — Justin Sexten, Performance Livestock Analytics, a part of Zoetis

She invited producers and producer-led groups to join them in finding solutions.

“I think that the sky is the limit when it comes to identifying ways to have collaborative projects and things in place where we’re benefiting producers and, ultimately, getting closer to reach our goal,” Richardson said.

There’s needed work in multiple areas; but for now, Stackhouse-Lawson said cattlemen should focus on land management and improving efficiencies around performance.

Technology gives producers that opportunity, said Justin Sexten, strategic and product lead for Performance Livestock Analytics, a part of Zoetis. It could take a mindset shift when it comes to how cattlemen gather data and then use it to implement change.

Today there’s a lot of information available, but it takes creative thinking to connect it.

“What are those technologies that take all of those boxes or the boxes that you are most interested in, and ultimately return some sort of predictive analytics for you to make decisions on?” he asked.

Evaluating possible systems, Sexten suggested feeders putting them through this lens: “Do they solve a specific problem or do they provide me a mechanism to connect the dots and solve the bigger problem?”

Today when managing a pen, not one single animal represents the average. Yet decisions are made at the group level to increase average performance.

Some cattle in a pen may need additional resources or different management. However, in most cases all animals receive the same care and inputs, whether or not they’re needed.

“We have to find a way to manage from an individual perspective,” Sexten said.

That’s a goal for tomorrow that’s already starting to shape today.

The future will be about finding good relationships, sound science and sharing a story that resonates, said Keith Belk, CSU head of animal science department.

“You can’t do a good job of addressing industry issues with research or educating the next generation of students unless you have good partners to work with,” Belk said.

Looking ahead to the demands of an increasingly discerning consumer base, no speaker said it would be easy. Still, all seemed optimistic the cattle industry can rise to the challenge. **AJ**

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