

Meeting Demand with Better Beef in 2021

Fiscal year closes strong for Certified Angus Beef.

by Kylee Kohls, Certified Angus Beef LLC

Growth happens in small increments. When it comes to measuring success for Certified Angus Beef (CAB), it's measured one pound at a time.

The second-highest sales year on record, global sales totaled 1.215 billion pounds (lb.) to end Fiscal Year 2021. Up 3.4% or 40 million lb. from 2020, this is the sixth consecutive year the brand surpassed 1 billion lb. of sales across 54 countries.

"This brand was built one pound at a time, one partner at a time, and we value them all, because it takes a community to move this brand forward and to make it work for everybody," says John Stika, CAB president.

Better beef, better cattle

Both beef demand and CAB brand acceptance rates are at all-time highs, creating a formula for record-setting improvements.

"There are a lot of exciting and optimistic things when we look at the success and progress our partners have had this year," Stika says. "Demand doesn't solve all the problems we currently have in the beef industry, but it does underpin the

foundation of success and recovery that many are experiencing in their business right now."

Growth in demand requires more Angus cattle raised to the highest standards, and cattlemen met the challenge. A record 36.8% of all Angus-influenced cattle met the brand's 10 specifications in Fiscal Year 2021. That's more than 5.9 million black cattle earning an average of \$50 per head from CAB grid premiums. Each year, packers pay producers nearly \$92 million for brand-qualifying cattle, or \$1.7

million per week.

"This year proved that cattle producers are as focused as ever on meeting consumer expectations," says Bruce Cobb, executive vice president of production for the brand. "Through 2020, acceptance rates for the brand established new record benchmarks, and that momentum carried through 2021 as producers continued to increase the production of certified carcasses."

Bringing home the beef

It's an entire community across the supply chain that moves CAB forward.

A stabilizing anchor for brand sales, retail proved extremely steady sales year-round. Shoppers looked for quality in the grocery store and kept cooking at home, even as pandemic mandates lifted.

Licensed partners held on to most of last year's record-setting 602 million lb., closing 2021 at 600 million lb. of sales.

"As we saw the foodservice and hospitality sector begin to open up, we were hoping the pent-up demand we had heard so much about would materialize. And it has," Stika says. "Demand is strong for high-quality beef."



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Finishing the year up 13.3%, domestic foodservice brand partners recovered 43% of the 100 million lb. forfeited during the pandemic.

Canada and Japan remain at the top of international sales, playing a large role in the 7.8% year-over-year increase. The next four largest markets — South Korea, Mexico, Taiwan and Hong Kong — grew by an average of 10.6% last year, helping reclaim international business.

“We have continued to be extremely optimistic and believe


that sales outside of the U.S. will only continue to grow and become healthier moving forward,” Stika says.

Value-added-product sales grew 23.5% in 2021, setting a record of 38.3 million lb. Smoked brisket, fajita meat and fresh corned beef were a few of the top sellers as people looked for labor- and cost-saving solutions. Celebrating seven record months during the fiscal year, July took the top spot with 4 million lb. of value-added products sold.

Adding to the record-setting year,

CAB-brand Prime sales reached 37.3 million lb. for the first time, a 14.8% increase in 2021.

“Prime is a progressive growth opportunity as we continue to see quality resonate with more and more consumers domestically and around the globe,” Stika says.

Looking forward to 2022, he says he expects the brand to only get better, one pound at a time. 



2nd HIGHEST SALES YEAR

↑ 3.4% or 40 MILLION POUNDS

GLOBAL SALES
**1.215 BILLION POUNDS**