## **COMMON** GROUND

by Mark McCully CEO, American Angus Association



## Yesterday's features are today's expectations

Growing up we didn't take many vacations. My dad was great with taking a trip as long as we could leave after morning chores and be back before evening chores. I suspect that was the case for many of us growing up in agriculture, especially those with livestock.

Although, as a small child, I do remember a few trips and recall seeing signs alongside the road designed to attract customers. Motels tried to stand out by advertising their unique features like air-conditioned rooms or color TV.

I still see some of those old signs today, and they always make me chuckle, but I can't imagine they are very effective. Those once-unique hotel features are now a customer's expectation. I can't imagine checking into a room today and finding there is no air conditioning or color TV.

Likewise, consumers have elevated their expectations when purchasing beef. They are willing to pay more than the price of pork or chicken, but demand a consistently high-quality product — one that is flavorful, juicy and tender. We've raised the bar, and it's allowed us to compete with other protein sources. Consumers know what they want when they buy beef, and we can't deliver anything less.

Your bull customers expect more than they did a few years ago. They expect data and expected progeny differences (EPDs), breeding guarantees, free trucking, and maybe even assistance marketing their calves. What breeders did to attract customers then, is now the standard.

For those commercial cattlemen, their customers' expectations have also changed. Weaned and vaccinated calves were once a premium feature touted from the block at the sale barn. Now it is almost the starting point. What once garnered a premium in the market, is now becoming the base.

The fed-cattle market is the same. Not that long ago, 60% Choice and 25% *Certified Angus Beef*® (CAB) acceptance was something to brag about. These once-premium cattle would be considered below par today. This last year average CAB acceptance rate was nearly 37%. To earn premiums you must be better than the average.

This all can be frustrating. Just when you are within striking distance, the goal posts move. It seems you can never stop improving.

The reality is, you can't. The "features" become standard, and even when you can't imagine more improvement can be made, you realize it can.

Our industry is not alone. Look around to things you buy. Are there many products that you don't expect to see improved over time? The auto industry is a great example. Power steering, power windows and air conditioning were once premium features. Now it's almost impossible to find a new car that doesn't have them all in their base model.

Who would have thought you could improve laundry detergent? It's soap, after all. However, now it comes in fancy, premeasured pods that makes them easier to use.

I don't think beef cattle production is any different. We should be challenged to constantly innovate. We should be looking for new and better ways to deliver beef to the consumer. We should be thinking about our commercial bull-buying customer and how we can provide better tools to them.

Additionally, we should be looking ahead, knowing improvement is an expectation in today's world.

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