

LEAD IN

Richard L. Spader

Executive Vice President, American Angus Association



up.

The common criticism in both stories was that although Certified Angus Beef is commanding a heck of a price, none of this profit filters back to the producer. This is not true. There is obviously a strong demand for a very high-quality product, and this demand has pushed the retail price of CAB fairly high in some places.

But some of this demand is filtering back to the commercial cow-calf producer. The CAB program has boosted competition for well-bred and fed Angus cattle. Where these cattle were once taken for granted, packers must now compete for them, and it is not unusual for a non-CAB packer to out-bid a CAB packer for a quality load of blacks.

Also, we must keep in mind that the CAB program was created not as a commodity program but a premium brand name program. CAB pulls out the very best of the Angus beef on the commercial end (in 1986 only the top 23 percent of Angus cattle qualified for the CAB program) and markets this product for a premium. So there may well never be across-the-board premiums for all Angus slaughter steers and heifers. However, one CAB packer today will pay a premium on every animal they buy that qualifies for CAB, plus another premium for those CAB carcasses that grade USDA Prime.

The CAB program was never meant to be a producer-oriented program. Rather, CAB was designed to increase the value of Angus beef, to stimulate demand for more Angus feeder cattle, and thus increase the demand for more registered Angus bulls.

The Association is now working on a Certified Angus Feeder (CAF) program. The goal of this program is to increase the value of commercial feeder cattle which are sired by regis-

tered Angus bulls. Plans call for this to be done by improving the predictability of feedlot and carcass performance of Angus-sired feeder cattle through application of performance records. The CAF program today is in about the same stage of maturity as the CAB program was in 1977, and it is expected to be as difficult to bring to adulthood. These things can't be made to happen overnight.

There are people in our industry who say that a breed association should not be in the beef merchandising business, that merchandising ought to be left to the packers or retailers. These criticisms don't deserve to be taken seriously. There are those who made the same statements about performance records. Our breed would be in sad shape today had we depended upon state universities or other organizations to dictate the development of our performance programs. The same criticism was made about breed magazine publication, yet today the American Angus Assn. would be structured very differently had it not acquired the *Angus Journal* in 1979.

The Certified Angus Beef program may well have some problems, and supply could eventually be one of them, but what a wonderful problem to have and to solve. The fantastic growth of CAB (see the Annual Report in this issue) has improved demand for Angus cattle by expanding the market for high-quality Angus beef. The income it generates has helped bolster the Association during some lean economic years, and it appears that we have only scratched the surface as far as CAB growth is concerned. So when you read criticisms, rest assured that they are almost surely based upon sour grapes or lack of information. CAB is one of the firm supports that will help assure the success and growth of the Angus business well into the future. **AJ**

A sure way to bring criticism upon oneself is to be successful. This is particularly true if the success results from an idea or a product which your competition may have thought about at one time or another, or one that seems so simple people wonder why they didn't think of it themselves.

The success of the Certified Angus Beef program is no exception. In the past few weeks critical comments have appeared in at least two publications. It will be helpful for you to be aware of this and prepared to address the subject if your customers bring it