

# Specification Genetics

*In a changing industry, there's no room for mistakes. Success for 2000 and beyond will hinge on high-accuracy genetics custom-made to work in the various commercial environments and in the feedlot while providing a consistent, high-quality end product to the consumer.*

BY SHAUNA ROSE HERMEL

**"N**o segment of our industry can escape being affected by the fast-changing times that we live in," Dick Spader, executive vice president of the American Angus Association, told producers gathered for the 1998 National Angus Conference. "Some of the changes are fueled by trends that may require new objectives, new directions, new procedures for the way we do business, the way we breed cattle and the way we run our operations."

More than 225 producers, representing 17 states and four countries, gathered on the campus of Washington State University in Pullman Oct. 6-7 to discuss the challenges facing beef producers. The goal of the conference was to assess the management, genetic and marketing needs for the Angus breed and the beef business.

**"We are in an era of specification genetics,"** Spader told producers. That spells opportunity for the Angus breed, which has been focusing for decades on developing tools to select and produce cattle that are going to meet specific needs with a high degree of accuracy.

"The Angus breed and the Association offer a solution to a struggling industry that must address its problems and improve the quality and the consistency of the beef products we offer consumers," said Association President Lawrason Sayre, Waffle Hill Farm, Churchville, Md.

Sayre said the Association Board of Directors took the industry challenges seriously, outlining the steps they thought necessary for long-term success in the mission statement and long-range goals published on page 106. Those long-range goals, said Sayre, show the Association's commitment to building demand for Angus cattle.

"We will accomplish our mission if we are willing to listen to the consumer — all of us: breeders, feedlots, the packers, distributors, retailers, restaurateurs," said Sayre. "No finger-pointing, just work together."

**Beef producers mistakenly** think the game is with each other, echoed keynote speaker William Mies, Texas A&M University professor of animal

science. But the real competition, he said, is with other meats — pork, poultry and fish. "Unless we keep our eye on where the competition is, and unless we measure ourselves against that competition from a quality point of view, we will not make the appropriate decisions for this business. We'll have a lot of enthusiasm, but no commitment."

Everyone has a different idea about what will save the industry — new products, consumer convenience, new names for cuts. While they're all good ideas, said Mies, they're just window dressing. Producers need to take responsibility for the product they produce and recognize the desires of the retail customer in planning their production programs.

Quality is more than just a USDA Quality Grade, Mies stressed. "Quality means it works the same way every time. It means there's no surprises. It means that they all hit the target."

So far, that hasn't been a strong point of the beef industry. While individual weights of trailer loads of market hogs will vary as little as 20 pounds (lb.), beef producers have been content with lots falling within a 550-lb. weight range live. That won't keep beef competitive with pork and poultry, said Mies.

He suggested breeders focus on uniformity within their own

cow herds, culling the extremes in size (big and small) and temperament. While those cows may be raising their calves every year, their calves are killing the industry because they don't fit.

**Angus breeders may soon** become the victims of their own success, warned Mies. "You have blackened the cow herd. Every major breed has come to you for your genetics to blacken their calves ... because the perception is if it's black, it's high-quality."

As more and more alliances and branded programs become prevalent, buyers will demand more proof of what a black calf is, he explained. That will place demands on seedstock producers for collecting data and for passing the data along in an understandable format to commercial bull customers so they can convince their buyers that the calves are Angus and that they are worth more.

It will place a greater burden of responsibility on the producer to be able to document that the seedstock fit all the targets, said Mies. Seedstock producers need to start now to be ready.

A quality approach means hitting a multiplicity of targets simultaneously, and that's not easy, said Mies. "There's no silver bullets for doing it. You have to be a breeder to do that. You have to have commitment to a project rather than just enthusiasm for it."

The pork and poultry industries are going to give us a window of opportunity, Mies predicted. By single-mindedly focusing on efficiency, they're getting themselves into problems in terms of eating quality.

"And what we have to do is be ready to stand there and provide our consumers a uniform, high-quality eating experience in every sense of the word," Mies told conference attendees. "And, as we do, we will regain some of that market share, and we can begin to build this business back to where it needs to be."

**The problem in shooting** for this all-around, "quality" animal is that he's "not very sexy," Mies admitted. In a show ring, he'd stand dead center. He'd be medium-plus frame, moderately muscled and medium in his mature size. He wouldn't be obvious to the crowd; you'd have to look at his numbers. He wouldn't be a trait leader for weaning or yearling weight, marbling or ribeye; but, he'd be very good on all counts. "That's not very sexy," added Mies. "That's the problem that purebred cattle face in their business. It's excitement vs. commitment. We have to become a little bit more scientific and a little less flamboyant."

Mies compared the beef industry to the car industry of the '70s "We're raising whatever we #@@#! well please. We pass it along to somebody else. They take it and go to our customers and say, 'Will you buy it?' And we are having the same success as the Edsel."

Just as Ford motor company rethought it's whole management philosophy, adopting the Total Quality Management approach of William Edwards Deming, the beef industry needs to focus on producing what its customers want. "We need to put quality and the lessons of quality into the cattle business because that



will determine our ultimate survival," Mies said.

**It doesn't matter what** business you're in, success depends on giving your customers what they want, Edd Hendee, owner-operator of the Taste of Texas, told cattlemen at the National Angus Conference. Quality, value, service and consistency are the keys, Hendee said. "Those four words have a longer life cycle than we do."

With a seating capacity of 400 and serving more than 1,000 meals a day, Hendee's Houston restaurant topped more than \$9 million in sales for 1998. Hendee attributes much of that success to fulfilling the needs of his customers with *Certified Angus Beef*<sup>TM</sup> product. Thirteen years after starting to serve *Certified Angus Beef* products, Taste of Texas has grown to become the No. 1 independent restaurant for *Certified Angus Beef* sales and the No. 43 restaurant in total volume in the United States.

"Our basic philosophy," he said, "is identify what the market wants and give it to them with the highest quality, value and personal service."

Hendee, who has been in the restaurant business for 21 years, said the consumer will consistently choose the highest-quality piece of meat he or she in the dining situation can afford. The consumer will pay more while dining because they perceive their time as valuable.

"The customer is specifically interested in being satisfied with quality and value determined by flavor and taste, not by price," Hendee said.

The Texas restaurateur advised producers to determine what their customers want and then move into a position to meet those needs.

**"The commercial producer** may be the most-vital link and the biggest hurdle between conception and consumption," said Sam Hands, a commercial producer from Garden City, Kan. To bridge the gap, Hands said seedstock producers need to get involved with their commercial customers' herds to gain an understanding for each producer's resources and marketing plans.

"Now more than ever, the seedstock supplier must communicate with his

commercial producer," said Hands. Seedstock producers will need to help lay out a five-year plan to provide the commercial cattleman specific genetics tailored to fit the environment with the capacity for efficient feedlot performance and a high-quality, consistent end product.

In addition, said Hands, commercial customers may need assistance from seedstock suppliers to market their calf crops through the appropriate channels and to get information feedback from which to make better genetic decisions in the future.

"As the bar of excellence continues to rise, advance planning and coordination will be imperative in order to obtain full market value in the corporate world for a genetically superior product that meets consumers' expectations," said Hands.

Proceedings of the 1998 National Angus Conference are available, while supplies last, through the Association's public relations department at (816) 383-5100.

