



# Brand News

► News and highlights from Certified Angus Beef LLC\*

## Beef for your buck

In foodservice, a common objection to purchasing premium beef is cost per serving over Choice. A new explanatory article made available to Certified Angus Beef LLC (CAB) foodservice licensees provides information and pricing strategies to help customers embrace *Certified Angus Beef*® (CAB®) brand quality for just pennies per serving.

“Price increases should only result from the need to protect gross profits,” Mark Polzer, CAB foodservice director, says. “Beef provides the greatest opportunity for gross profit on any menu. And if a restaurant serves premium beef, it also ensures the highest degree of customer satisfaction.”

The question is: How valuable is premium beef to a restaurant’s business? Customers will leave a restaurant raving about a high-quality, tender, juicy, flavorful steak, not the

baked potato or fresh vegetables. The decision to serve a lower-quality steak to cut food costs could be expensive — especially if dissatisfaction leads one customer to tell 10 other people, as studies suggest.

“It’s important not to cut costs or quality, when simply adding a few cents to menu price will ensure the consistency restaurants have always tried to achieve,” Polzer says.

Even with record beef demand and tight supplies, CAB burger and steak prices have ranged from only 5¢ to 50¢ more per portion than USDA Choice.

“If restaurants cover that additional 5¢ to 50¢ on the menu, they still realize the exact same gross profit dollars on their bottom line,” Polzer adds. “And they have created a dining experience that will bring more customers back for repeat business.”

Steak may have a higher food-cost percent than chicken breast, but it makes more dollars per meal served. And whether a menu offers a \$17 Choice or \$17.50 CAB steak is not going to dissuade a customer from ordering it.

“If a customer had a bad experience before, that person will not order steak in the restaurant again — if he or she comes back,” Polzer says. “Restaurants must focus on providing a satisfying dining experience for customers.”

## Honor roll of quality

Feeding for the CAB Natural program isn’t without challenges, but Thomas County Feeders is making it look easy. The Colby, Kan., feedlot has been targeting natural cattle since November 2005, and is now a 100% natural lot. Switching from conventional cattle may have increased the number of Yield Grade (YG) 4s, but that is outpaced by an increase in quality.

“We have the opportunity to feed some very nice, high-quality, good Angus genetics,” Manager Mike Hunter says. “Then we do everything we can to keep them healthy and gaining. Since changing to the all-natural

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To order CAB merchandise, visit  
[www.angussalebarn.com](http://www.angussalebarn.com).

For a source for recipe ideas, storage and handling tips, restaurant listings, retail store locations, and cooking information, visit [www.certifiedangusbeef.com](http://www.certifiedangusbeef.com).

### No magic, just math

Lower food-cost percent does not mean more profit. There is a \$2 advantage to serving beef and even more built-in rewards to serving a reliable, premium beef brand.

	Chicken breast	Center-cut top sirloin steak	
		Choice	CAB®
Protein cost per 8 oz. serving	\$2.00	\$4.00	\$4.50
Ingredient costs	\$1.50	\$1.50	\$1.50
Total entrée cost	\$3.50	\$5.50	\$6.00
Menu price	\$13.00	\$17.00	\$17.50
Gross profit dollars	\$9.50	\$11.50	\$11.50



\*Certified Angus Beef LLC is a wholly owned subsidiary of the American Angus Association.

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program, we spend a lot more time evaluating pens that are harvest-ready, and then sorting them accordingly to manage Yield Grade 4s.”

From July to September, the feedlot earned a 32.2% CAB acceptance rate on 8,257 head, more than double the national average. “We market and sort to hit the CAB target, and it’s working,” Hunter says.

In September, Thomas County had 16 “honorable mention” groups in CAB’s 30.06 program (see Table 1). It is an affiliate of the Beef Marketing Group (BMG), which procures the high-quality cattle and serves as the production link between CAB brand Natural and Tyson Foods.

## Flavor finder

Chef Scott Popovic was recently hired as the new CAB corporate chef. After several weeks of training, Popovic will assist CAB



**Scott Popovic**

Marketing-Communications staff with recipe development, brand promotions and consumer activities.

*A cum laude* graduate of Johnson & Wales University, Charleston, S.C.,

Popovic was the chef de cuisine at Fire Food and Drink in Cleveland, Ohio. Previously, he was executive chef at XO Restaurant and Bar and worked at N9NE and Aureole in Las Vegas, Nev. Popovic has worked at the James Beard House in New York City on several

**Table 1: Summary of 30.06 qualifiers and honorable mentions from data reported in September 2006**



In the On-Target “30.06” program, the Feedlot-Licensing Program (FLP) honors feedlot partners that harvest qualifying groups of cattle with at least a 30% Prime or *Certified Angus Beef*® (CAB®) acceptance rate with an allowance for 3% Yield Grade (YG) 4s and 3% carcasses weighing more than 975 pounds (lb.). There is no minimum group size because sorting is encouraged to bring out the best in each animal. Honorable mention groups stood out for CAB acceptance but contained at least one discount problem.

Licensed CAB® Feedyard	Head	Sex <sup>a</sup>	%YG 1&2	%CAB	%Prime
GG Genetics	11 <sup>b</sup>	S	9.1	72.73	0.0
Honorable Mentions	Head	Sex <sup>a</sup>	%YG 1&2	%CAB	%Prime
Beller Feedlots	20 <sup>b</sup>	H	5.0	75.0	10.0
Thomas County Feeders Inc.	41 <sup>b</sup>	H	17.1	56.10	2.4
Thomas County Feeders Inc.	38 <sup>b</sup>	S	15.8	52.63	5.3
Thomas County Feeders Inc.	93 <sup>b</sup>	S	10.8	45.16	1.1
Thomas County Feeders Inc.	52 <sup>b</sup>	S	13.5	44.23	1.9
Thomas County Feeders Inc.	88 <sup>b</sup>	S	0.0	43.18	8.0
Thomas County Feeders Inc.	53 <sup>b</sup>	H	22.6	41.51	1.9
Thomas County Feeders Inc.	53 <sup>b</sup>	S	39.6	39.62	0.0
Thomas County Feeders Inc.	44 <sup>b</sup>	H	6.8	38.64	2.3
Thomas County Feeders Inc.	39 <sup>b</sup>	H	20.5	38.46	10.3
Wheeler Feed Yard Inc.	45	H	22.2	37.84	0.0
Thomas County Feeders Inc.	71 <sup>b</sup>	S	19.7	36.62	7.0
Thomas County Feeders Inc.	99 <sup>b</sup>	S	11.1	35.35	4.0
Thomas County Feeders Inc.	40 <sup>b</sup>	H	22.5	35.0	2.5
Thomas County Feeders Inc.	32 <sup>b</sup>	S	9.4	34.38	0.0
Beller Feedlots	76 <sup>b</sup>	S	9.2	34.21	2.6
Thomas County Feeders Inc.	96 <sup>b</sup>	H	6.3	33.33	1.0
Thomas County Feeders Inc.	47 <sup>b</sup>	H	14.9	31.91	2.1
Wheeler Feed Yard Inc.	42	H	52.4	31.25	0.0
Thomas County Feeders Inc.	72 <sup>b</sup>	S	31.9	30.56	2.8
Thomas County Feeders Inc.	46 <sup>b</sup>	S	10.9	30.43	8.7
Wheeler Feed Yard Inc.	42	H	38.1	30.30	2.4
Beller Feedlots	43 <sup>b</sup>	S	27.9	30.23	0.0
Beller Feedlots	20 <sup>b</sup>	H	35.0	30.0	5.0
Wheeler Feed Yard Inc.	36	S	38.9	30.0	0.0
Irsik & Doll Feed Yard	30 <sup>b</sup>	H	16.7	30.0	0.0

<sup>a</sup>H=heifers; M=mixed; S=steers.

<sup>b</sup>Indicates 100% CAB eligible. All acceptance rates figured on eligible portions.

Call (785) 539-0123 or visit [www.cabfeedlots.com](http://www.cabfeedlots.com) for a complete and current list of feedlot licensees.

## Did you know?

- ▶ Only 8% of all beef meets the brand's quality specifications. Only 4% of all beef in Canada earns the *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand name.
- ▶ The CAB brand is the largest, most successful brand of beef, accounting for more than 86% of Angus-influenced beef with Modest or higher marbling through USDA brand certification.
- ▶ The brand partners with 29 major packing companies — 26 in the United States (more than 85% of the U.S. packing base) and three in Canada (more than 80% of the Canadian packing base).
- ▶ More than 13,000 businesses partner with the brand in 30 countries.
- ▶ CAB products were sold in 56 countries last year.
- ▶ About 1.6 million lb. are sold daily, generating an estimated \$2.5 billion in consumer sales annually.
- ▶ Assuming a 3 oz. cooked serving of beef, nearly 1.5 billion servings of CAB brand product were consumed in 2006.
- ▶ 2006 market research shows CAB producer premiums during the last decade exceeded \$200 million.

occasions, including a dinner as a Rising Star Chef of American Cuisine. He has also performed cooking demonstrations on television and teaches hands-on cooking courses at Sur La Table in Beachwood, Ohio.

### Vietnam value

Food & Hotel Vietnam 2006, a three-day consumer trade show, attracted more than 40,000 visitors from neighboring countries and about 8,000 local consumers. U.S. bone-in short ribs took center stage at the U.S. Meat Export Federation (USMEF) booth, since Vietnam is currently importing bone-in products.

Since October 2005, CAB sales have significantly increased in the market. According to Daisuke Shimojima, CAB senior executive account manager, the Vietnam economy has grown rapidly during the past three years. As a result, tourism has increased dramatically, growing the foodservice industry by 60%.

### Award winners

The Beef Backer Award, funded through the Beef Checkoff Program, recognizes independent and chain restaurants that set the highest standards in menuing and marketing beef — America's No. 1 protein.

The following CAB-licensed restaurants were nominated for state Beef Backer awards by their respective state beef councils. Each state winner will compete in the national competition. National award winners will be announced in 2007.

- ▶ Shula's (Florida)
- ▶ Cool River Cafe (Colorado)
- ▶ Buckhorn Grill (California)
- ▶ Dierdorf & Hart's Steakhouse (Missouri)
- ▶ Bull & Bear (New York)
- ▶ Jag's Steakhouse & Seafood (Ohio)
- ▶ McCoy's Firehouse (Washington)
- ▶ Johnny's Italian Steakhouse (Illinois)

- ▶ Taste of Texas (Texas)
- ▶ deSha's (Kentucky)
- ▶ Del Bar Steakhouse (Wisconsin)

### Brand buys

In licensed retail stores, the CAB brand shopper spends an average of 20% more per visit. Which market purchased the most CAB product in fiscal year (FY) 2006? Retailers and restaurants in the Saint Louis area purchased more than 11.8 million pounds (lb.). Coming in second was the Washington, D.C./Maryland-Virginia market with 10.8 million lb. The Houston/Galveston area came in third with 10.2 million lb.

### Picky, picky, picky

There is nothing wrong with being picky — a point emphasized in new advertisements available to the brand's foodservice licensees. The advertisement helps convey the message that customers benefit when their restaurant offers only premium Angus beef.



**Picky. Picky. Picky.**

Only 1 in 5 Angus-type cattle meets our high standards. While other labels might say Angus, do not confuse the type of cattle with the proven brand name. For mouthwatering tenderness and flavor, pick the Certified Angus Beef<sup>®</sup> brand every time.

**CERTIFIED ANGUS BEEF**  
SINCE 1978

*Angus beef is the best.*

www.certifiedangusbeef.com 1-800-225-2333