



Brand News

► News and highlights from Certified Angus Beef LLC*

Breaking sales records

Thanks to the success of dedicated partners, the *Certified Angus Beef*® (CAB®) brand enjoyed an unprecedented year.

Sales of more than 584 million pounds (lb.) in fiscal 2007 surpassed the previous high set in 2003.

“This is truly a special moment in our history,” says Certified Angus Beef LLC (CAB) President John Stika. The world’s original brand of premium beef also achieved

five consecutive months with sales greater than 50 million lb.

Stika credits the growth to “steadfast commitment from the brand’s partners in every segment of the industry.” Producers, packers, distributors, restaurants and retailers — in all, more than 14,300 licensees — played a role. CAB products rove sales in 39 countries last year.

“Success comes from the new relevance of the brand that fits today’s demand,” he says. “That demand will continue to grow. We need to keep building on the value CAB brings to the producer membership and licensee base. As we help them add value, they will grow with us and incorporate the brand into their futures.”

The numbers, Stika says, illustrate the effects of industry-leading brand awareness

and product availability brought about by established and growing pull-through demand.

Enhanced CAB specifications were implemented in January, eliminating outliers, delivering on the brand promise and reinforcing the brand’s role as the industry leader.

The CAB acceptance rate was a moderate 16% of the record 13.5 million identified cattle. That was enough to set a record in certified numbers, 2.16 million head, with an average carcass weight of 806 lb. Total carcass utilization per head was 270 lb., making way for the overall sales records.

Consumers in the know

A six-month research project conducted

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To order CAB merchandise, visit
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.

Table 1: Summary of 30.06 qualifiers and honorable mentions from data reported in September 2007

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.). Sorting is encouraged to bring out the best in each animal, and the minimum group size is 10 head. Honorable mention groups stood out for CAB acceptance but contained at least one discount problem.



| Licensed CAB® Feedyard | Head | Sex ^a | %YG 1&2 | %CAB | %Prime |
|----------------------------|------------------|------------------|---------|-------|--------|
| Irsik & Doll Feed Yard | 20 ^b | M | 60.0 | 50.0 | 0.0 |
| Honorable Mentions | Head | Sex ^a | %YG 1&2 | %CAB | %Prime |
| Hora Prime Beef | 12 ^b | M | 50.0 | 91.67 | 16.7 |
| Thomas County Feeders Inc. | 58 ^b | S | 22.4 | 51.72 | 12.1 |
| Beller Feedlot | 44 | S | 25.0 | 50.0 | 11.4 |
| Thomas County Feeders Inc. | 44 ^b | H | 50.0 | 45.45 | 20.5 |
| Chappell Feedlot | 53 ^b | S | 18.9 | 45.28 | 1.9 |
| Thomas County Feeders Inc. | 83 ^b | S | 30.1 | 43.37 | 7.2 |
| Beller Corp. | 45 | H | 24.4 | 43.18 | 6.7 |
| Beller Feedlot | 15 ^b | S | 13.3 | 40.0 | 0.0 |
| Irsik & Doll Feed Yard | 20 ^b | S | 35.0 | 40.0 | 0.0 |
| Thomas County Feeders Inc. | 78 ^b | S | 24.4 | 39.74 | 15.4 |
| Thomas County Feeders Inc. | 56 ^b | S | 33.9 | 39.29 | 10.7 |
| Thomas County Feeders Inc. | 105 ^b | S | 30.5 | 39.5 | 2.9 |
| Thomas County Feeders Inc. | 44 ^b | H | 18.2 | 38.64 | 20.5 |
| Thomas County Feeders Inc. | 95 ^b | S | 29.5 | 37.89 | 6.3 |
| Beller Feedlot | 31 ^b | S | 9.7 | 35.48 | 6.5 |
| Wheeler Feed Yard Inc. | 55 ^b | H | 20.0 | 34.55 | 9.1 |
| Beller Feedlot | 48 ^b | S | 18.8 | 33.33 | 0.0 |
| Beller Corp. | 90 ^b | H | 26.7 | 32.22 | 4.4 |

^aH=heifers; M=mixed; S=steers.

^bIndicates 100% CAB eligible. All acceptance rates figured on eligible portions.

Lots that exceed 15% YG 4 and YG 5 are not included on the honorable mention list.

Call 785-539-0123 or visit www.cabfeedlots.com for a complete and current list of feedlot licensees.

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

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by CAB shows 87% of consumers recognize the *Certified Angus Beef* brand name. A whopping 91% of those questioned recognized the CAB brand logo — that's 3.5 times more than the closest ranking brand. A new flyer, *Consumers Know the Brand*, has been developed to share these and other research findings with potential and current licensed partners. The goal is to drive sales and profitability by prompting readers to link to CAB as their brand of choice.

Twenty-year focus pays off

When Mike Hora, owner and manager of Hora Prime Beef in Washington, Iowa, heard that a group of 12 of his home-raised calves graded 91% CAB and Prime in September, he wasn't surprised (see Table 1, page 93). He's become accustomed to quality results like these from his entire herd.

In 2005, his steers won second place in the National Angus Carcass Challenge (NACC) after enrolling every steer born on his place that year in the contest. Hora typically sorts for finish but doesn't have to sort off the bottom end because he's built genetics to the point where his entire herd excels in carcass traits.

Hora attributes that to a 20-year focus on quality. Carcass premiums of the late 1980s were practically nothing, but he saw the logic in aiming to please consumers. Hora's

Life of luxury

Taste of Lexus is a lifestyle event that shows what life is like for a Lexus owner. The 14-city promotional tour reached an estimated 50,000 consumers and 11,000 Lexus associates. It also served as a brand-building opportunity for CAB.

Current and potential Lexus owners were invited to each event, featuring three on-site restaurants, Lexus test drives and a cinema. The company included the CAB brand in its tour because of the focus on quality.

Attendees had the opportunity to enjoy 2-ounce CAB sliders (mini burgers), Wisconsin Cheddar Cheese and onion sliders, and blue cheese and hickory-smoked bacon sliders. Each event lasted from two to three hours.

Taste of Lexus was an opportunity to build brand recognition and a reputation for premium quality in each of the four stops.



crossbred cattle back then didn't grade well enough to meet his goals, so he moved toward almost exclusively Angus genetics.

The climb to the top of carcass quality was a gradual process. Hora bred his cows artificially (AI) to the breed's top marbling sires, utilizing cleanup bulls with exceptional carcass characteristics.

Knowing it takes more than genetics, Hora combines these calves with quality-focused management. He weans his calves at 90 to 120 days, gets them up to a finishing ration as early as

possible and maintains a high-energy ration throughout the rest of their lives.

"These practices improve the quality of the cattle and get them to market faster," Hora says. "The cattle are also healthier. I don't have near the problems with sickness I did when I weaned around the traditional 205-day area. Plus, my cows stay in a lot better condition."

In his dual roles of cow-calf producer and feeder, Hora says, "I can maintain control from conception to consumer." He allows

Sporting the brand

PICTURED RIGHT: Start your engines. It can't race in the Daytona 500, but it is sanctioned by NASCAR. It's an asphalt-modified car sponsored by Frederick's Pennsylvania Dutch Meats, a CAB-licensed farmer's market in Robeson, Pa. The market is open only two days a week — Fridays and Saturdays — yet sells an admirable amount of CAB product per month. Frederick's owner Marvin Frederick (left) and son Tom, assistant manager (right), are committed to the brand — from store to hobbies to apparel.



PICTURED LEFT: Catching coyotes. Phoenix Coyotes fans have developed a hunger for the world's best beef thanks to a project brought to CAB by licensed distributor Stockyards Phoenix. The National Hockey League (NHL) team's concessions by Chuckwagon Grille offer CAB burgers from Holten and sport traffic-stopping graphics developed by CAB designers.

"If the first two games are any indication of future business, they were rocking and very pleased with the response!" says Stockyards sales representative Sonny McGraw.

that it may be more difficult for cow-calf producers to make rapid change when they don't feed their own cattle. However, custom feeding with a CAB-licensed feedlot can provide performance and carcass information for guidance.

The Hora feedlot has been licensed since 2000, during which he says CAB has been an excellent source of reliable data and advice.

He shares this information with feedlot customers to help them better hit the CAB target.

Although the Hora herd provides an excellent example of what's possible, he says, "I'm not done. I will not sit back and accept that my results are good enough. It is my goal for the majority of my cattle to grade CAB Prime and Yield Grade 1 or 2."



A roast for the holidays

The most requested beef item for family gatherings and corporate events is one of the most expensive: slow cooked prime rib roast. Unfortunately, prime rib roast is a bit more costly during November and December, so retailer and restaurant gross profits may not be as strong. The solution? Roasted strip loin.

A new holiday promotion introduced CAB strip roast as a profitable and flavorful alternative to prime rib for the holidays. The promotion offered CAB licensed partners information for use in customer newsletters, web sites, and as a sales training tool or leave-behind for customers.

"This summertime grilling favorite is a good buy for holiday roasting," says Scott Popovic, CAB corporate chef. "Strip loin offers greater availability and lower cost, giving foodservice and retail businesses more potential for gross profit during the holidays."

Five-year historical averages for CAB strip loins and ribeyes, from 2002 to 2006, provide the evidence. Just as peak grilling season concluded in October in most parts of the country, strip loin demand — and essentially prices — began declining. At the same time, ribeye demand and prices continued rising to a seasonal peak in December.

That means cost for a ribeye and strip roast from a distributor in December can differ by as much as \$1.50 to \$1.75 per pound. Demand and pricing trends are similar for U.S. Department of Agriculture (USDA) Choice beef.

Flavor considerations

"The strip loin's flavor profile is remarkably similar to ribeye," Popovic says. "Both cuts are enjoyed for robust flavor and juiciness. Strip loin roast is also more consistent in shape," Popovic adds. "It creates an excellent plate appearance and offers versatile menu options for nearly any restaurant."

Strip roast is perfect for carving tableside or at a buffet. It can be smoked or cooked by rotisserie. Additionally, the price advantage makes it an attractive addition to holiday menus or specials, whether it is served as chateaubriand, innovative filet of strip loin or traditional (New York or Kansas City) strip.

Holiday feast at home

You can enjoy an economical, yet elegant, roasted strip roast at home for the holidays. Add your favorite rub or glaze for saucy style. For ideas and recipes, visit www.certifiedangusbeef.com.

N.Y. Strip Roast

11 to 14 lb. CAB® N.Y. strip roast
¼ cup extra virgin olive oil
¼ cup kosher salt
2 Tbs. fresh ground pepper

Preheat oven to 500° F. Place roast, fat side up, in roasting pan. Rub with olive oil and leave at room temperature for 30 minutes. Season all surfaces with salt and pepper.

Roast for 12 minutes; reduce oven temperature to 300° F and continue roasting about 10-12 minutes per pound for medium rare.

Remove from oven and loosely tent with foil for 20 minutes. Slice before serving.

Source: Recipe provided by Certified Angus Beef LLC.

