



Brand News

► News and highlights from Certified Angus Beef LLC*

Quality and more for retailers

Demand for beef is changing. “Generic beef grades and cuts do not deliver the taste and convenience consumers want,” says Al Kober, retail director for the *Certified Angus Beef*® (CAB®) brand. “The right quality-driven brand can be the solution for retailers. Consistent, reliable quality has to be at the center of any meat program.”

Science points to the factors that ensure customer satisfaction: tenderness, juiciness and flavor. Tenderness has traditionally been considered the most important factor for consumers, but recent data from Texas Tech University shows beef flavor matters more.

In the study, 59% of 1,440 consumers considered flavor important in determining a cut of beef’s satisfaction level. Tenderness came in second at 25%, followed by juiciness. And marbling has a big effect on flavor, Kober says.

A Modest or higher marbling level is the hallmark of the brand’s 10 science-based specifications. Its strength also lies in added values for retailers.

The brand’s shopping cart study of two retailers in 2005 found that CAB product shoppers drive total store sales. These shoppers spend an average of 20% more per visit.



PHOTOS COURTESY OF CERTIFIED ANGUS BEEF LLC

The brand’s merchandising, marketing and training programs also bring value to retailers. Some use shadow pricing to successfully merchandise the high-quality brand next to USDA graded beef. One retailer has experienced four consecutive

years of double-digit growth with this merchandising strategy.

“Customers choose the product that performs well, even if it costs a bit more,” he says. “That builds customer satisfaction, repeat purchases and sales.”

More evidence of consumers’ quality preferences came with the brand’s nine-month survey that encompassed focus groups, ethnographic in-store research and an in-store survey of 900 shoppers. They ranked the CAB brand as the highest quality of any other grade or brand of beef. The brand’s label tested 87% consumer recognition — nearly double the next leading competitor. From this data, the company developed an extensive “trust the experts” advertising campaign for retailer use.

Additional services for retailers include cutting tests to evaluate suppliers, “planagrams” for maximum sales and profit, new cuts offering higher sales potential, hands-on meat cutting schools, and seasonal market forecasts.

“Our trained consultants start by identifying retailer goals and developing strategies to achieve them,” Kober says.

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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.

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Those objectives could be additional sales, additional profit, more loyal customers or all of the above. Next comes combining the right merchandising, marketing and training to meet those objectives.

“Offering the brand properly makes customers happy and drives additional profits to a retailer’s bottom line,” he says. “Our beef experts help manage the brand for retailers by bringing even more benefits through customer relationships.”

When it comes time to evaluate a brand, Kober suggests retailers look beyond dollar signs.

“It’s about more than the meat quality,” he says. “With rising product costs, it’s important to choose a partner that delivers added value. Not all brands are equal in quality and services.”

Fine food and service for restaurateurs

When consumers decide to spend hard-earned dollars at a restaurant, they expect a fine meal and the best service. The CAB brand’s waitstaff training kit is an easy-to-use tool that helps restaurateurs and waitstaff deliver both — fine food and excellent service.

A solid training program gives waitstaff the knowledge they need to confidently make menu recommendations. Their confidence, in turn, builds credibility with customers. Ultimately, customer satisfaction results in greater gratuities for waitstaff and repeat business for the restaurant.

“If you arm waitstaff with beef knowledge,

customers will perceive them as experts and the restaurant as the place to go for the best steaks,” says Scott Popovic, CAB corporate chef. “Before a restaurant can benefit from training, though, reliable product quality must be assured.”

That means serving a product that staff and customers appreciate.

CAB-licensed restaurants have access to exclusive training programs and marketing resources. With the use of its waitstaff training DVD, restaurant partners can be on their way to success in 10 minutes. The easy-to-use kit includes fact cards for tableside descriptions of degrees of doneness.

“We strongly suggest steak sampling with the training for maximum impact,” Popovic adds. “It’s a powerful tool for building staff rapport with customers, who often ask for recommendations.”

Making training tools and information available to brand partners — in both the foodservice and retail industries — is a way to increase demand for premium Angus beef. It’s also a means to educate consumers to make informed decisions about where they spend their food dollars.

Branding a bowl game

If you tuned in to ESPN2 on New Year’s Eve for the Roady’s Humanitarian Bowl, you

probably saw the CAB brand thanks to Food Services of America, Boise (FSA-Boise). The foodservice distributor sponsored the game, which paired Western Athletic Conference (WAC) Fresno State member with Atlantic Coast Conference (ACC) power Georgia Tech. The distinctive blue turf of Bronco Stadium at Boise State University (BSU) prominently featured the CAB brand. It was included in announcements, game programs and on the JumboTron.

FSA-Boise’s relationship with the Humanitarian Bowl also enabled the brand to play a central role in the *Certified Angus Beef®* Bowl for Beef. This bowling event for charity, part of the pre-bowl game festivities, matched Fresno State and Georgia Tech players. For each pin knocked down and for each point scored, they earned a 2-pound (lb.) donation of CAB ground beef to a hometown charity of their choice and a Boise, Idaho, charity. Georgia Tech scored 239 points, for a donation of 478 lb. to the Hosea Williams Feed the Hungry Foundation, an Atlanta-based nonprofit organization that offers free services for the needy, and the Hays Shelter Home, an Idaho Youth Ranch charity that provides shelter for 12 youths ages 8 through 18. Fresno State players scored 201 points, resulting in a 402-lb. donation to Poverello House, a center serving the hungry and homeless of Fresno, Calif., and Emancipation Home, a facility of the Idaho Youth Ranch that teaches



► The brand’s training kit is an easy-to-use tool for licensed restaurants.

independent living skills to boys ages 16 to 18.

Both teams were treated to a pregame dinner featuring CAB-brand prime rib at the Owyhee Plaza Hotel.

The Humanitarian Bowl and festivities provided a prime opportunity to spread the brand message to consumers while partnering with a valued partner to make a difference.

Room and reason to improve beef

During a seminar on the merits of high-quality beef, two industry leaders expressed concern about future supplies and short-term focus on pounds vs. quality.

Mike Connelly, vice president of Ruth's Chris® Steak House, which serves only USDA Prime, noted the potential effect of higher-priced corn on the already-declining supply of Prime.

Certified Angus Beef LLC (CAB) vice president Larry Corah identified factors that threaten the ability to meet growing U.S. and global demand for premium beef.

Both men spoke at *Beef* magazine's Beef Quality Summit in Omaha, Neb., last fall.

Corah pointed out that the 2005 National Beef Quality Audit (NBQA) showed a large gap between consumer demand and lagging

Voted most popular

How does your favorite steak rank? According to the FreshLook Marketing Group, boneless beef top round steak ranks first in pounds sold throughout the U.S. in a 52-week study that ended Nov. 25, 2007. America's favorite beef steaks are:

Rank	Beef Cut	Volume, lb.
1.	Top round steak, boneless	149,683,189
2.	Ribeye steak, boneless	106,690,522
3.	Top sirloin steak, boneless	95,537,401
4.	Top loin steak, boneless	86,276,402
5.	Ribeye steak, bone-in	71,774,911
6.	T-Bone steak, bone-in	66,454,300
7.	Top loin steak, bone-in	65,100,987
8.	Porterhouse steak, bone-in	52,126,042
9.	Chuck underblade steak, boneless	47,787,404
10.	Round tip steak, boneless	47,206,175

Source: FreshLook Marketing 2007 pounds sold, 52 weeks ending Nov. 25, 2007.

production of premium grade beef. The audit showed consumers want four times more Prime than current supplies, he said. A 2007 Cattle-Fax study quantified the value of premium quality as adding half a billion dollars per year to the U.S. beef industry.

Meanwhile, the reopening global beef market represents future growth, and the U.S. is known as the home of premium beef. "We need to build on that position," Corah said, "because we can't compete for the title of least-cost at Select quality."

Connelly said Ruth's Chris may have to

look to international sources of quality beef in the future. "We would prefer to stay with exclusively U.S. supply, but the industry would need to respond to demand," he added.

Producers control most of the decisions that allow them to hit the quality target profitably, Corah said. "If we extend the stocker phase in response to higher corn prices, but cut back on overall nutrition for growing cattle, quality grades will fall," he noted. "Of course, pounds are important, but producers can no longer afford to ignore quality grade, because the right combination of genetics and management can deliver both.

"Technology can be a friend to quality production, or it can work against the consumer," Corah said. "For example, the beta-2 agonist now available for feedlot rations can have a negative impact on beef quality for the consumer."

In particular, Connelly said the U.S. Department of Agriculture (USDA)-approved product, Zilmax®, could further curtail supplies of Prime beef. "If cattle feeders use products that reduce the supply of quality beef, it is a short-sighted approach," he said. "The beef industry will likely pay a long-term price."

Freedom of Information Act data show a 15- to 37-point reduction in marbling scores when Zilmax is fed 20 and 40 days, respectively — and there are other similar products in the pipeline, Corah said. In the average pen of feedlot cattle fed Zilmax for the approved time, this seemingly small effect on marbling could result in 20% to 30% fewer cattle meeting high-quality standards such as those for the CAB brand.

The future viability of the beef industry depends on producer decisions that include U.S. and global consumer interests, he and Connelly concluded.

Table 1: Summary of 30.06 qualifiers and honorable mentions from data reported in December 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
Beller Feedlot	45 ^b	H	40.0	40.0	0.0
Honorable Mentions	Head	Sex ^a	%YG 1&2	%CAB	%Prime
Thomas County Feeders Inc.	156 ^b	S	2.6	73.08	4.5
Thomas County Feeders Inc.	32 ^b	S	37.5	62.50	0.0
Thomas County Feeders Inc.	107 ^b	S	23.3	56.07	2.8
Thomas County Feeders Inc.	121 ^b	S	28.1	52.89	0.8
Beller Feedlot	149	H	42.3	50.34	6.0
Beller Feedlot	78 ^b	H	29.5	44.87	3.8
Thomas County Feeders Inc.	69 ^b	H	60.9	42.03	1.4
Thomas County Feeders Inc.	71 ^b	H	8.4	38.03	0.0
Chappell Feedlot	49	H	28.6	36.36	0.0
Thomas County Feeders Inc.	34 ^b	H	17.6	35.29	2.9
Beller Corp.	37 ^b	H	40.5	32.43	2.7
Thomas County Feeders Inc.	35 ^b	S	11.4	31.43	0.0
Beller Feedlot	98 ^b	H	24.5	30.61	2.0
Beller Feedlot	43 ^b	H	37.2	30.23	0.0
Beller Feedlot	37 ^b	H	32.4	21.62	8.1

^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.