



Brand News

► News and highlights from Certified Angus Beef LLC*

Diversification strategy

Producers know that it pays to spread risk, but diversification has taken on new meaning in the Certified Angus Beef LLC (CAB) Foodservice Division. The team is expanding relationships with regional restaurant chains, healthcare institutions and rural foodservice distributors, a strategy that should increase producer profitability through brand recognition and more pounds sold.

Interest in restaurant chains makes sense, considering 51% of the U.S. food dollar is spent on meals away from home. Filiberto's, a Mexican restaurant chain in Arizona, uses cuts that are not typical of restaurateurs — underutilized thin meats from the flank are featured in its famous burritos and carne asadas. The 20-unit, 100% CAB-licensee ranks in the top 10 volume-moving chains within foodservice.

While Filiberto's elevated its image to premium with Certified Angus Beef® (CAB®) brand products, it drives the price of thin meats to a level of demand that could increase premiums for producers. This diversification allows infiltration into other smaller, regional chains that may be more ethnically driven, but that still sell tremendous amounts

of CAB product.

The brand, in cooperation with licensed distributors, has also begun tapping a resource that contributes \$1.3 trillion into the economy. According to the U.S. Census Bureau, the nation's elderly population is expected to double between 2000 and 2030

Turning up the heat
K-VA-T Food Stores Inc., commonly known as Food City, is turning up the heat with sizzling Certified Angus Beef® (CAB®) advertising. The chain recently placed a special grilling insert in the *Knoxville News Sentinel*, which has a circulation of 160,000. The insert featured "Today Show" celebrity Al Roker and renowned chef Bobby Flay.
In addition to being an esteemed chef and author, Flay has launched and starred in three national cooking shows: "Grillin' & Chillin'" on the Television Food Network, "The Main Ingredient with Bobby Flay" on Lifetime Television and "Hot Off the Grill with Bobby Flay," now airing on the Food Network. Recently, Flay joined the team of "The Early Show" on CBS as food correspondent, where he informs a national audience about hot topics in the culinary world.

to nearly 70 million. John Landry, CAB specialist for Sysco Kansas City, and Patti Dollarhide, director of Nutrition Services for Via Christi Medical Center, Wichita, Kan., have spearheaded the effort to incorporate more CAB product into the healthcare segment.

There are currently 107 licensed foodservice distributors, with additional companies being evaluated as supply dictates. These distributors tend to establish themselves in urban areas where transportation to the customer or restaurant is quick and convenient. In May 2002, CAB licensed Sysco Food Services of Montana for distribution to restaurants in towns frequented by cattlemen. In 2003, Sysco reached the mark of distributing 1.4 pounds (lb.) of product for every person in the state of Montana. Working with the diverse array of distribution outlets — small or large, urban or rural — is a key to increasing CAB brand value coast-to-coast.

Celebrity chefs event

Chef Mickey Beriau of Dole & Bailey Inc., Woburn, Mass., and CAB Chef Dianna Stoffer were invited for a repeat performance in the second annual Food, Wine and Golf Classic, an event that benefits educational programs and facilities of Cornell University School of Hotel Administration and The Culinary Institute of America (CIA).

Beriau and Stoffer served bite-size portions of CAB *teres major* (Bistro crostini with duck and truffle mousse finished with a cranberry, onion and red wine conserve) and flat-iron steak (Asian steak salad with Wasabi drizzle, roasted peanuts and a sesame ginger vinaigrette).

"We used the *teres major* and flat-iron again this year because these cuts are so versatile," Stoffer says. "Last year we served both items hot. This year we prepared the same cuts in a different presentation, served cold. The flat-iron and *teres major* hold their moisture and don't become chewy or difficult to eat like a top sirloin, for example."

Hot trends in restaurants include the flat-iron, also called top blade in grocery stores, and the shoulder tender (*teres major*), often served as medallions, Stoffer says, adding, "These are as easy to grill as some of the popular cuts we love."

The flat-iron, a chuck cut, is remarkably tender and full-flavored, she says. *Teres major* was once sold as part of large, old-fashioned chuck roasts. By itself, it's a small wonder. Almost never more than 1 lb., it is nearly as tender as the tenderloin, but with the hearty flavor for which chuck cuts are known.

Many event attendees returned to the food station for seconds of both cuts. "The chefs came back to the station repeatedly, telling us we had the best food at the event," Stoffer says.

CAB STAFF CONTACTS

206 Riffel Rd., Wooster, OH 44691-8588
phone: (330) 345-2333; fax: (330) 345-0808
www.certifiedangusbeef.com

Jim Riemann, president ■ **Brent Eichar**, senior vice president ■ **Tracey Erickson**, vice president ■ **Pam Cottrell**, assistant vice president ■ **Mark McCully**, assistant vice president ■ **Louis "Mick" Colvin**, advisor

SUPPLY DEVELOPMENT DIVISION

Kansas staff:

CAB Program Satellite Office
1107 Hylton Heights Rd., Manhattan, KS 66502
phone: (785) 539-0123 ■ fax: (785) 539-2883
Larry Corah, vice president ■ **Paul Dykstra**, feedlot specialist ■ **Gary Fike**, feedlot specialist ■ **Wendy Nichols**, office and data manager

Ohio staff:

John Stika, assistant vice president, Supply Development and Packing divisions ■ **Rod Schoenbine**, coordinator of producer programs and data services ■ **Brooke Enders**, marketing manager

INDUSTRY INFORMATION DIVISION

16360 Victory Rd., Onaga, KS 66521;
phone: (785) 889-4162; fax: (785) 889-4163
Steve Suther, director

SHIPPING DEPARTMENT

To order CAB merchandise, call 1-800-725-0070 or fax (330) 345-0803.

TOLL-FREE CAB FLAVOR FINDER

A source for recipe ideas, storage and handling tips, restaurant listings, retail store locations, and cooking information.

1-877-2-EAT-CAB

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

Levonian Brothers Inc. of Troy, N.Y., provided CAB product for the classic. CAB short ribs were served at a master chefs' dinner, and the entrée was the highlight of the menu. The Food, Wine and Golf Classic exemplifies the success of branding when several facets of the foodservice industry are involved.

Sizzlin' grills

More than 15,000 consumers attend the yearly Blossom Festival in Magnolia, Ark. This year, the CAB brand sponsored the festival's annual World Championship Steak Cook-off. With assistance from PFG Quality Foods, a licensed brand distributor, nearly 3,000 CAB ribeye steaks were served

throughout the afternoon.

Cook-off participants sported CAB aprons and hats and brand signage

was prevalent. Certified Clyde™ even made an appearance, riding in a cherry red convertible in the parade of grills. The event had folks raving about the steaks and was a significant way to increase brand awareness.



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NACC nears 5,000-head mark

More than 4,700 Angus-based calves were enrolled in the 2004 National Angus Carcass Challenge (NACC) as of June 21, according to contest and Certified Angus Beef LLC (CAB) producer programs and data services coordinator Rod Schoenbine. Less than halfway through the year, that's close to the 5,000-head total enrollment goal set for the 2004 NACC.

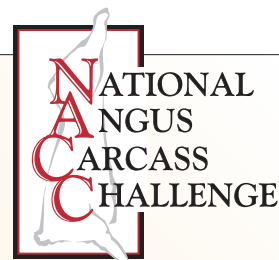
"A lot of these were calf-fed, and we already have complete harvest data on 44 groups," he adds. There are significantly more steers than heifers enrolled, 81 pens vs. 21 pens, Schoenbine reports, with 1,531 steers and 344 heifers harvested. Enrollments have come from 17 states, Georgia to Idaho and North Dakota to Texas, and have been fed in 25 CAB-licensed feedlots. Leading all feedlot partners in number of entry pens was Gregory Feedlots, Tabor, Iowa, with 23. In a close race for second place in volume were Darnall Feedlots, Harrisburg, Neb., with 11 pens and Beller Feedlots, Lindsay, Neb., with 10 pens.

Twenty-two pens were marketed through Tyson Fresh Meats in Denison, Iowa; 13 through Swift plants in Greeley, Colo., and Grand Island, Neb.; eight at Excel plants in Schuyler, Neb., and Fort Morgan, Colo.; six at National Beef plants in Liberal and Dodge City, Kan.; and one at the greater Omaha, Neb., plant.

"We are pleased to see this level of participation from across the country and involving nearly a third of the CAB partner feedlots," Schoenbine says. With more than half of current entries still on feed, no one can say whether any of the current leaders will be able to maintain those standings through the end of the year, but some have set a high mark to beat.

"There are 20 harvested entries so far that are at least 90% Choice or better, and a couple are 100%," Schoenbine says, "but there is more to the contest grid than quality grade. Some of the highest marbling groups also have some discounts from Yield Grade 4s, which count against them in the rankings." The latest leader-board numbers are available at www.certifiedangusbeef.com/sd/nacc/naccleaders.pdf.

NACC is sponsored by CAB, *Drovers* magazine, the American Angus Association Beef Record Service (BRS), Farnam Co., Merial and John Deere FoodOrigins Inc. At stake are more than \$30,000 in cash and prizes, a John Deere 4x4 Gator, a wealth of knowledge about carcass values and the spotlight winners' circle on award day at the National Western Stock Show in Denver, Colo., next January.



Prime time at Price Chopper

Price Chopper has expanded its CAB line. Ten stores recently introduced CAB brand Prime as a point of differentiation from the competition. Special “CAB Prime Time at Price Chopper” signage was created to enhance the existing Prime point-of-sale material. The stores will offer middle meats and some outside round cuts, all of which are available for custom cutting at the full-service meatcase. Though prices fluctuate, Price Chopper’s CAB brand Prime items will sell in the \$12-\$16 per lb. range.

“Price Chopper is already getting additional sales and reordering product quicker than expected,” says David MacVane, CAB retail account manager. “The program is still in its infant stage, but it’s going well. They need time to educate consumers and explain the difference between USDA Choice and CAB Prime.”

The company plans to evaluate the CAB brand Prime category in six months and expand into additional stores. Price Chopper owns 108 stores in New York, Vermont, New Hampshire, Pennsylvania, Massachusetts and Connecticut.

Cardinals take flight

The St. Louis Cardinals have developed a strong partnership with the brand. Pre-game samplings of CAB Holten patties on Broil King® grills and radio remotes increase brand awareness and drive sales. Last year’s sampling events increased the sale of the frozen Holten patties by 93% more than the previous year at Schnucks, a local licensed retail chain.

Baseball fans can also purchase CAB Philly Cheese Steak sandwiches at two concession areas in the Cardinals’ stadium. The suite level carries selected CAB items as well. The venue is conducive to partner tie-ins and prize giveaways from Schnucks stores and restaurants like Tony Marino’s, Rizzo’s Pasta, Dierdorf & Harts, and Seventh Inn.

A pregame sampling, radio demonstration and additional activities are planned at the stadium in late August when the brand partners with Amazing Taste. The popularity of Amazing Taste rubs and seasoning packets continues to grow. The spices add new twists on flavor to grilled CAB cuts. Upcoming promotions will promote the brand, strengthen partnerships and increase consumer awareness.



Spotlight award winners for May^a



Highland Feeders, Belgrade, Neb., was honored by the Certified Angus Beef LLC (CAB) Feedlot-Licensing Program (FLP) as the May 2004 Feedlot of the Month. “This feedlot, under the direction of Bill Robinson and his partners, is working on a goal of feeding more Angus cattle that have a known background,” says Paul Dykstra, CAB feedlot specialist. “It is working well so far, with more than 1,600 head of cattle enrolled since June 2003 posting an average CAB-acceptance rate of 29%.”

Gary Wickwar, manager of T-Bone Feeders near Goodland, Kan., earned the title of CAB Quality Assurance (QA) Officer of the Month for May. “Gary has clearly demonstrated a preference for feeding high-quality Angus cattle that will perform in the feedlot and on the dinner plate,” Dykstra says. “He has really changed the population of cattle that is fed at T-Bone since taking over management last summer, being customer-oriented and using carcass quality to create profits for the feedlot and his clientele.”

CAB’s Spotlight Award series honors licensed partner feedlots based on volume, quality, customer service and attention to detail. Winners receive CAB value-added products and eligibility for annual awards. The FLP also honors partners who harvest 30-0 groups of cattle. Here’s a summary of accomplishments from data reported in May.

Licensed CAB® Feedyard	Head	Sex ^b	%YG 1&2	%CAB	%Prime
Gregory Feedlots Inc.	35*	S	80.0	62.9	2.9
Silver Creek Feeders Inc.	20	S	70.0	53.3	5.0
McPherson County Feeders Inc.	10	H	50.0	50.0	0.0
Gregory Feedlots Inc.	40	S	50.0	48.6	0.0
Silver Creek Feeders Inc.	29	S	58.6	44.4	10.3
Darnall Feedlot	31*	S	16.1	41.9	3.2
Decatur County Feed Yard LLC	10*	H	70.0	40.0	0.0
Cattleman’s Choice Feedyard Inc.	10*	M	90.0	40.0	0.0
Hergert Feeding Co.	44	H	56.8	37.5	0.0
Hergert Feeding Co.	19*	M	36.8	36.8	10.5
Darnall Feedlot	18	S	33.4	35.3	5.6
Boise Valley Feeders	15*	H	60.0	33.3	0.0
Hergert Feeding Co.	43	S	41.9	30.4	0.0
GG Genetics	10*	H	30.0	30.0	10.0
Beller Feedlots	44*	S	29.6	29.5	0.0
McPherson County Feeders Inc.	31	S	71.0	27.6	6.5

Honorable Mentions	Head	Sex ^b	%YG 1&2	%CAB	%Prime
Bentley Cattle Co.	63*	S	46.0	77.8	6.3
Decatur County Feed Yard LLC	12	H	25.0	70.0	0.0
Silver Creek Feeders Inc.	45	M	62.2	65.0	0.0
Hergert Feeding Co.	40	H	12.5	64.7	5.0
Decatur County Feed Yard LLC	19	H	89.5	60.0	0.0
Silver Creek Feeders Inc.	88	M	71.6	56.9	15.9
Schmitz Feedlot LLC	44	H	54.5	56.5	0.0
Beller Feedlots	34	S	29.4	55.6	5.9
Schmitz Feedlot LLC	47	H	51.0	54.6	4.3
Irsik & Doll Feedyard	46*	H	28.3	50.0	8.7
Hergert Feeding Co.	25*	H	12.0	48.0	24.0
Silver Creek Feeders Inc.	76	M	40.8	47.4	6.6
GG Genetics	28*	H	14.3	46.4	10.7
Schmitz Feedlot LLC	22	H	45.5	45.5	0.0
Irsik & Doll Feedyard	20*	S	0.0	45.0	15.0
Irsik & Doll Feedyard	40*	S	32.5	45.0	10.0
David Ranch	30*	M	20.0	43.3	3.3
Irsik & Doll Feedyard	20	H	45.0	41.2	5.0
Darnall Feedlot	62	H	64.7	40.0	4.8
McGinley-Schilz Feedyard LLC	26	M	19.2	40.0	3.8
Irsik & Doll Feedyard	42*	S	16.7	38.1	14.3

^aIn the On-Target “30-0” program, the FLP honors partners that harvest qualifying groups of cattle with at least a 30% Prime or CAB-acceptance rate that are free of discount carcasses. 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 discount cattle for one reason or another.

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

*Indicates 100% CAB eligible. Acceptance rate figured on eligible portion.

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