

CAB Annual Conference

Certified Angus Beef awards today's leaders and prepares them for tomorrow.

by Jennifer Kiko

I haven't seen a time in 25 years when this business was as absolutely exciting as it is today," said Randy Blach, executive vice president of Cattle-Fax, during his presentation at the Certified Angus Beef LLC (CAB) annual conference, conducted Aug. 18-20 in Baltimore, Md.

"Think about what this means!" he exclaimed. "Record supplies and record prices ... Isn't it beautiful?"

Blach, who regularly presents at CAB's annual event, identified factors that have driven the beef market during the past year and gave a forecast of the coming months.

A current "hot point" is increasing the U.S. cattle inventory to reduce pressure on the market. Blach reported that while some cattle producers are concerned about downward pressure on prices, it's important to look at components of the 1% increase (900,000 head of cattle) achieved this year. Not all of those cattle will be available for market. Breeding heifers, both beef and dairy, account for a large portion of the increase.

Satisfaction = sales

"Growth in CAB sales during a time of record-high meat prices and record-low U.S. cattle numbers is strong evidence consumers trust in the brand," said CAB President Jim



► Bill Davis of Rollin' Rock Angus says sometimes you just have to sit and think about where you are and what you're doing.

Riemann in his opening address.

The two most influential factors were consumers' desire for the best beef and licensed partners' creativity in marketing it, he said. There is a current trend to market beef under different names, but it can be of any quality, including the lower level of USDA Choice, Select or no-roll (ungraded beef).

"Many times, differentiation and success can be achieved by going the opposite direction of a trend," Riemann said.

Sales of CAB products increased more than 25 million pounds (lb.) from last year, although a number of major export markets have remained closed to U.S. beef.

People power

"I have always believed employee training is an investment," Riemann said. "It is not an overhead expense."

He has seen greater emphasis from senior management of many CAB partners to train employees on the value of the brand. He said the importance of training and engaging people cannot be overemphasized. The point was hammered home by noted speaker and renowned business executive Frank Maguire of Maguire Communications.

"The hidden treasure in every endeavor is its most important asset — its people," he said.

Maguire has developed his own "absolute laws of success" and shared them with conference attendees. Passion, attitude and relationships are the three essentials. He says when an organization's executive team understands the importance of these concepts and incorporates them into company culture, they will begin to foster a



► "Record supplies and record prices," said Randy Blach of Cattle-Fax. "Isn't it beautiful?"

motivated and dedicated workforce.

That workforce makes or breaks a product value, says Julie Shen of Master Connection Assoc., who also addressed the conference.

"People will pay a higher premium for a product in which they perceive a higher value," Shen said. "Our job is to demonstrate that value. Customer service is a defined process that creates the perceived value in a brand."

From the field

"Sometimes you just need to sit down and figure out where you are, what you're doing, and where you're going," said Bill Davis of Rollin' Rock Angus, Sidney, Mont. Davis is a member of the American Angus Association Board of Directors. His ranch is part of

Performance Breeders Inc., which received the 2005 CAB Seedstock Commitment to Excellence Award (see "True to an Ideal," page 114 of this issue).

A leader within the Angus industry, Davis told attendees, "We're all in the same business, yet many of us don't know what the person on our left or right does." He

CONTINUED ON PAGE 112

"Growth in CAB sales during a time of record-high meat prices and record-low U.S. cattle numbers is strong evidence consumers trust in the brand."

— Jim Riemann

CAB Annual Conference CONTINUED FROM PAGE 111

stressed the importance of communication while walking participants through his operation, month by month.

There are three distinct environments on Rollin' Rock's 30,000 acres. Part of the ranch is rough, broken country with a low stocking rate. A second area is gently rolling with trees. The rest is river bottom, with a high stocking rate. Davis discussed his plan to manage these environments and the challenges he faces on a daily basis. For example, he may be trying to supply water to 700 cattle when it's minus 15° F, or developing a 54° F natural spring for heating and cooling.

Davis also shared his outreach approach — visiting customers and getting their feedback, learning what challenges they face, and determining ways to address their needs.

Above all, Davis expressed his appreciation for the end users of his product — whether they are retailers, restaurants or

distributors. "Your efforts make our job easier," he said.

Recognizing the super achievers

The annual conference also offered opportunity to turn the spotlight on several outstanding achievements. See "2005 producer awards summary" for a list of the cow-calf and feedlot honorees.

Standouts in packing, retail and distribution were also honored. Profiles of their operations follow.

Top retailer. Though the Gateway Arch, Forest Park and Busch Stadium are renowned in Saint Louis, Mo., the city's newest claim to fame is legendary beef. For 10 years, Schnuck Markets Inc. has offered the premier brand of beef. Schnucks also achieved its sixth consecutive year as the world's top retailer of CAB products.

"Schnucks customers recognize the fact that the CAB brand offers premium quality

beef, and they want nothing less for their hard-earned money. In fact, most customers agree its taste and quality are superior to that of other beef," said Cy Jansen, Schnucks vice president of meat operations.

Top independent restaurant. New York City's Bull and Bear Steakhouse at the Waldorf=Astoria hotel was named the 2005 Independent Restaurant of the Year. The honor recognizes the licensed restaurant that has shown outstanding support of the brand through prominent identification on the menu, waitstaff training, point-of-sale promotions and advertising.

The Bull and Bear has been offering dry-aged CAB brand Prime since 2002. Since then, the brand has become an integral part of the steak house's quality image, beginning with prominent identification on the menu. The Waldorf=Astoria layers the CAB brand into promotions in local publications and posters in hotel elevators. A media reception introducing the product at the restaurant offered attendees a blind taste test to experience the brand's superior quality.

Executive Chef John Doherty has also supported the brand by providing a testimonial for a distributor sales training program. He spoke at the brand's 2004 conference in San Antonio, Texas.

Bull and Bear is the 14th U.S. restaurant to receive the award since it was established in 1992. The steak house was selected from 5,847 U.S. restaurants that are licensed to promote the CAB brand.

Fabricator marketer. Greater Omaha Packing Co. Inc.'s focus on the needs of ground beef processors and working with CAB's international team to meet the growing demand in Mexico earned it a competitive advantage in 2005. The company netted increased sales and this year's Fabricator Marketer of the Year Award. Greater Omaha leads the field with a 68% increase in CAB sales. Its success was also made possible by the highest utilization rate among all licensed packers and its relentless focus on customer service.

The company was also awarded the fabricator proficiency award for creating a rare 33% increase in utilization and delivering the highest CAB-brand utilization rate among the brand's licensed fabricators. Its achievements in brand utilization were in sync with its efforts to fill the needs of

2005 Colvin Scholarship auction

More than \$19,000 was raised to benefit tomorrow's leaders who are involved in their communities and the beef industry. Two scholarships will be awarded in 2006.

The 2005 Colvin Scholarship recipient, Landi McFarland of Ellston, Iowa, attended the event. She is a senior at Iowa State University.

McFarland says of all the scholarships she has received, the Colvin Scholarship means the most because she has been involved in raising Angus cattle her entire life.

"It is my goal to have Hoover Angus Farm (her family farm) in the business for 100 years. Right now, we're at 77 years," she says.

McFarland has grand plans for her future. She promised conference attendees that if they do their part to keep driving demand, she will do her part as an Angus producer to keep the supply coming. And, one day, she said, she hopes to be on the American Angus Association Board of Directors.

Auction items included a Montana getaway at The Resort at Paws Up, original artwork by Jack J. Wells, a signed Cal Ripken Jr. baseball, one-of-a-kind CAB belt buckles, and a carved wooden mirror featuring Angus cattle.

More than 40 limited-edition prints were also sold for \$100 each. Prints will continue to be sold throughout the year. Contact Tammy Noble at (330) 345-2333 or tnoble@certifiedangusbeef.com for more information.



► A limited-edition print will be sold throughout the year to benefit the Colvin Scholarship Fund.



► CAB President Jim Riemann introduced 2005 Colvin Scholarship recipient Landi McFarland of Ellston, Iowa.

ground beef processors and growing export opportunities in Mexico.

Fabricator volume. As the beef market strains to be unleashed from its constricted conditions, the CAB brand edged forward to new demand levels. In order to meet that demand, licensed fabricators worked diligently. They were rightly rewarded with brand sales. CAB also recognized its top five facilities based on volume.

- ▶ Tyson Fresh Meats Inc.'s Dakota City, Neb., facility maintained its sales leadership position. It has had the highest CAB sales for 11 consecutive years and is the leading producer of CAB brand Prime.
- ▶ Tyson's Joslin, Ill., unit earned second place. This is the sixth consecutive year it earned a ranking in the top three fabricators.
- ▶ Swift & Co.'s Grand Island, Neb., facility rose to third place this year from fourth place last year. This is the second year it earned a place in the top five.

▶ Greater Omaha rose into the top five plants with an unprecedented sales increase of 68%.

▶ Tyson's Lexington, Neb., unit took the fifth-place award. It has been in the top five sales positions for 11 years.

One million milestone. Recognized for having certified more than 1 million head of cattle that produced beef capable of earning the brand's name, the following four facilities are among a special group. Including this year's honorees, only 11 plants have earned this distinction. This year's plants were:

- ▶ Cargill Meat Solutions, Dodge City, Kan.
- ▶ Tyson Fresh Meats Inc., Denison, Iowa
- ▶ Swift & Co., Greeley, Colo.
- ▶ Swift & Co., Grand Island, Neb.

Looking ahead

More than 300 retail, foodservice and beef industry leaders from around the world attended the conference, designed to develop new relationships and teach ways to drive sales and profitability. While the annual



▶ The Taste Drive allowed participants to taste samples of CAB value-added products.

conference celebrates the past year's achievements, it is also a forum for setting new goals and learning skills to increase potential and performance. A complete list of award winners is available at www.certifiedangusbeef.com.

The 2006 annual conference will be in Seattle, Wash.



2005 producer awards summary

Editor's Note: Managers are noted within parentheses.

Commercial Commitment to Excellence Award

Ralph Huntley & Son (Blake Huntley), Wisdom, Mont.
See "Ace in the Hole," page 118 of this issue.

Feedlot Partner of the Year (up to 15,000-head capacity)

McPherson County Feeders Inc. (Allan Sents), Marquette, Kan.
See "Quality, Dollars and Sents," page 127 of this issue.

Feedlot Partner of the Year (more than 15,000-head capacity)

McGinley-Schilz Feedyard Ltd. (Ken Schilz), Brule, Neb.
See "Freedom of Information," page 122 of this issue.

Progressive Partner of the Year

Silver Creek Feeders Inc. (Roger Chambers), Treynor, Iowa
See "Old-Fashioned Progress," page 132 of this issue.

Quality Focus Award (up to 15,000-head capacity)

Hergert Feeding Co. (Tim Brost), Mitchell, Neb.
See "Making It Look Easy," page 136 of this issue.

Quality Focus Award (more than 15,000-head capacity)

Irsik & Doll Feedyard (Mark Sebranek), Garden City, Kan.
See "Fostering Genetic Success," page 134 of this issue.

Runner-up Feedlot Partner of the Year (up to 15,000-head capacity)

Flint Rock Feeders Ltd. (Frank Winters), Gruver, Texas
See "Beef in the Fast Lane," page 129 of this issue.

Runner-up Feedlot Partner of the Year (more than 15,000-head capacity)

Hays Feeders LLC (Kendall Hopp), Hays, Kan.
See "Looks Can Be Deceiving," page 124 of this issue.

Runner-up Quality Focus Award (up to 15,000-head capacity)

Samson Inc. (Scott Mueller), Platte Center, Neb.
Watch for article in a future *Angus Journal*.

Runner-up Quality Focus Award (more than 15,000-head capacity)

Beef Northwest Feeders LLC/Nyssa (Barry Kane), Nyssa, Ore.
Watch for article in a future *Angus Journal*.

Seedstock Commitment to Excellence Award

Performance Breeders (Bill and Jennifer Davis, Dave and Yvonne Hinman), Sidney and Malta, Mont.
See "True to an Ideal," page 114 of this issue.

Top Five CAB Feedlots by Enrolled Volume:

North Platte Feeders Inc., North Platte, Neb., 26,016 head
Decatur County Feed Yard LLC, Oberlin, Kan., 23,079 head
Wheeler Feed Yard Inc., Wheeler, Texas, 20,425 head
Pratt Feeders LLC, Pratt, Kan., 20,340 head
McGinley-Schilz Feedyard Ltd., Brule, Neb., 16,967 head