

Learning About CAB and AngusSource®

Educational seminar helps members understand programs.

Story & photos by Abby White

Members of the American Angus Association and the National Junior Angus Association (NJAA) attended an educational seminar at the start of the National Junior Angus Show (NJAS) to learn more about Certified Angus Beef LLC (CAB) and AngusSource®.

Mark McCully, CAB director of supply development, was on hand to explain the latest developments with the CAB program. Don Laughlin, Association regional manager, updated the audience on AngusSource, a program started by the Association in 2003.

The latest from CAB

McCully explained, "It's your brand — our mission statement is to increase demand for registered Angus cattle."

McCully said that it's hard to think of a time in the recent past when there wasn't a demand for Angus cattle, but Angus registration numbers started falling in the 1970s. During that time, people saw a need for a specification-based branded beef program. CAB was started as a program

of the American Angus Association in 1978.

"It's the specifications that deliver the eating quality," McCully said. "The specifications deliver on that promise."

CAB, which was converted to a limited-liability company in Feb. 2000, is a not-for-profit marketing organization. The company owns a trademark and a building in Wooster, Ohio, but it doesn't own the cattle or the product. It is, rather, a licensing organization.

"We license the use of the brand out to the partners we work with," McCully explained. "Everything is derived off of a commission structure, on a per-pound basis."

CAB was the first USDA-certified branded beef program. Today more than 63 brands are certified by the USDA. Of those 63

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— Mark McCully

programs, 48 of them have a breed in their name. And of those 48 breed-specific programs, 46 have Angus in their name.

"Obviously, there is popularity of Angus and value that's in the Angus name," McCully said. "Angus breeders can be excited about that."

Since the beginning of the brand, CAB cattle

have been defined as at least 51% black.

"I have people who come up to me all the time and say they have calves sired by a Simmental bull that qualified for *Certified Angus Beef*® (CAB®)," McCully said. "And I tell them that every once and a while, I have a bad CAB steak and I think that Simmental was the reason for it. We know that (51% black) is not a perfect definition of Angus type today. It was an awfully good one in 1978, but the other breeds have since turned themselves black."

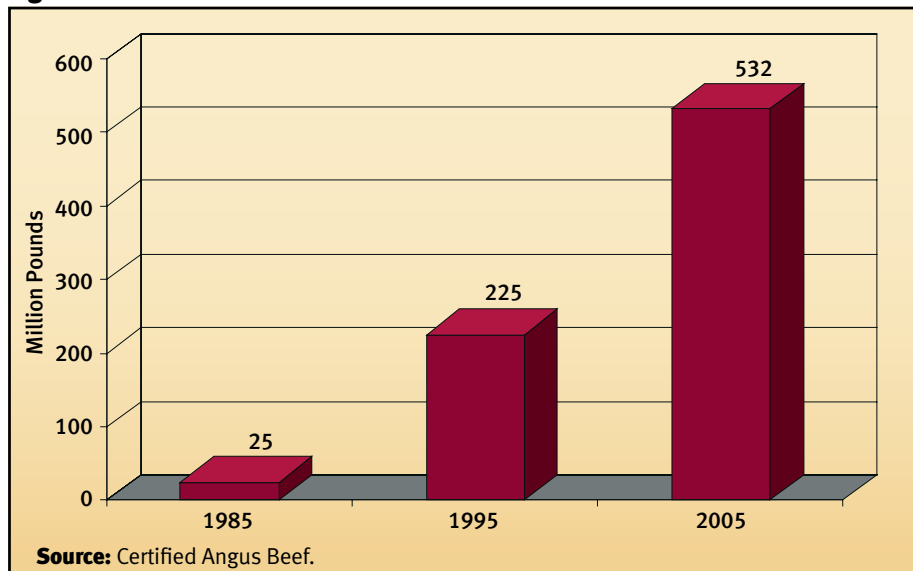
CAB looked for a better way to define Angus type. A recent partnership with AngusSource will allow AngusSource-documented cattle to be eligible for CAB.

"This means you can use an Angus bull on a Charolais cow and end up with a gray- or smoky-colored calf. With the new AngusSource program, those calves are now eligible for CAB," McCully said.

Carcass specifications are another way to differentiate between the CAB brand and the 46 other Angus branded beef programs.

"It comes down to the superior satisfaction," McCully said. "The industry likes to talk about tenderness, but there's more things than tenderness. I can get tender chicken breast, but I don't buy chicken breast, because what does chicken taste like? Whatever Shake 'N Bake® you put on it. I buy beef because of flavor and juiciness."

Fig. 1 Growth of the CAB brand



CAB has continued to grow since 1978, but McCully said the early days weren't easy. "They were faced with a lot of challenges," he explained. "In 1985, a whole 25 million pounds (lb.) were sold. By 1995, that number was at 225 million lb. And by our last fiscal year, we're at 532 million pounds."

CAB works to make sure product is available at all times to the users who need it. One strength is that CAB works with 85% of the packing base and can supply large grocery stores with the product they need.

Sales have been limited by supply, McCully said. "Consumers want more Choice meat. The exciting thing is that that spread [between Choice and Select] has just continued to grow. In a lot of cases, we need a lot more product to grow."

McCully showed examples of advertisements and promotional materials for the CAB brand and encouraged the audience to look at the CAB Web site, www.cabpartners.com.

"We're the only brand out there that has a mission statement of increasing demand for your cattle," McCully said. "When a lot of those brands carry the Angus name, it makes it more difficult to grow the market share, so we have to educate the customer."

Many producers wonder if CAB puts too much pressure on marbling, especially when 85% of black-hided cattle don't have enough marbling to meet the CAB specifications. McCully said, from the CAB standpoint, there is not enough pressure put on marbling. Producers should put more emphasis on the genetics to increase marbling.

In closing, McCully said, "I'm really proud to be a part of a brand that has a division of folks to work on brand assurance. There's

great opportunity for CAB to grow, but we ultimately need more supply."

AngusSource shares latest information

"Premiums will no longer be paid on live cattle, they will be paid on the reliable information about the cattle," Laughlin said, quoting Greg Arendt to kick off discussion about the latest developments with the AngusSource program.

Laughlin said that documenting age and source is the key to adding value. In the beef industry, producers need to know everything they can about their product.

"You need to know the value of the product and what kind of product you're producing, so that you can direct it to various markets," Laughlin said.

In the future, he added, there will be a huge demand for not only black cattle, like producers have seen in the recent past, but

for specifically Angus cattle.

"I hear that every breed out there has a black animal," Laughlin said. "There is a black Charolais in Canada. There is the American Black Hereford Association, and Shorthorns have their appendix. Every breed in the industry has moved to black-hided cattle. Quite honestly, why wouldn't they, especially when there's such a demand for

black cattle in the sale barns and with the branded beef programs such as Certified Angus Beef?"

AngusSource is not just a tagging program; it's a marketing program, Laughlin explained. It documents the source, genetics, and group age of enrolled cattle so producers can use that information as a marketing tool.

Laughlin explained that a lot of producers overlook the fact that AngusSource can be used for replacement females, not just feeder cattle. For clarification, he reminded the audience that to be in the program, the calf must have been sired by a registered Angus bull.

"AngusSource is a USDA Process Verified Program (PVP), so don't confuse it with the National Animal Identification System (NAIS)," Laughlin



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► "AngusSource® is really not that complicated," Don Laughlin, Association regional manager, said. "It's amazing to see the number of commercial producers out there who are already tagging cattle when they're born."

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said. "There is a unique 15-digit number on the tag, but we don't know if it will work once the national identification (ID) system becomes available, since those rules have not yet been finalized. USDA has hinted that it might be grandfathered in, but there's no definite ruling that those numbers will become part of the national identification system."

The AngusSource program is monitored by the USDA. Producers must submit a Producer Participant enrollment form and agreement. Producers then complete their training and begin the enrollment process via phone.

Some management practices will require that a producer undergo an on-site review prior to being eligible to enroll cattle in the program. If they meet the specifications and can provide records supporting the information that they've submitted to AngusSource, the cattle are enrolled.

AngusSource works with producers to document the information.

"We document the source, and [calves] have to be born on the farm of the producer who is enrolling them," Laughlin explained. "They have to be sired by a registered and properly transferred Angus bull, and we have to know the group age. We have to know the registration numbers of the bulls. We have to have a calving book to tell us the age of the first calf born."

In the case of leased or borrowed bulls, AngusSource requires a copy of the lease agreement for documentation, he said. The receipt for the purchase of semen is required to enroll calves sired by artificial insemination.

"When you order tags, it will take seven to 10 business days," Laughlin said. "Don't think that seven to 10 days before you get ready to sell a bunch of cattle, you can enroll in the program. It takes time to complete the

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training and enrollment, especially if an on-site review is required.”

Laughlin explained that the length of time depends on the risk level of the producer. Additionally, the tags are specific to a certain group of cattle, so you can't use the same tags

on a different group of cattle.

“AngusSource is really not that complicated,” Laughlin said. “It's amazing to see the number of commercial producers out there who are already tagging cattle when they're born.

“AngusSource is in its infancy,” Laughlin said, adding that it is a program with unlimited potential. “It's going to take time, and there are going to be some setbacks, but the program is excellent.”



Steps to enroll in AngusSource

- 1) **Enroll in the program** — become a producer participant. Read through all program and participation requirements. Complete enrollment forms and fax/mail back to AngusSource.
- 2) **Complete training.** Contact AngusSource to complete training over the phone.
- 3) **Enroll cattle.** Contact AngusSource to enroll cattle over the phone. To be eligible for enrollment, cattle must be sired by a registered Angus bull, be enrolled by the ranch of origin, and have a group age of month/day/year.
Provide information — number of head enrolling, sire registration numbers, birth date month/day/year of the oldest calf in the group, contact information and copies of any required records.
- 4) **AngusSource** will process your enrollment if you are accepted as an approved supplier.
- 5) **Choose a tag option,** either plain panel for \$1.00 or plain panel with radio frequency identification (RFID) for \$3.25. There is no minimum tag order. Tag options are available in increments of one. One ID device may be ordered for each animal enrolled. Extra tags may not be ordered, but replacement tags are available upon request if a producer meets replacement tag requirements.
- 6) **Tag cattle.**
- 7) **Association creates an AngusSource Document.** This Document is the key to the PVP. Only cattle with an AngusSource Document carrying the PVP shield are process verified.
- 8) **Market.** Customize the AngusSource Document. List marketing information such as sale location, date, etc. List management information. Document information is sent via e-mail to more than 400 potential buyers.