



Movin' Forward

► by **Bryce Schumann**, chief executive officer

The strength of the brand

A tough economy is the true test of the strength of a company's products and services. When there are fewer dollars available for your customers to spend at their discretion, they are forced to prioritize.

Consumer level

When they prioritize, they will continue to purchase some products or services at the same level, they will reduce the purchase levels of others, and some products or services will be eliminated from the budget altogether.

There is no question that in our current economy our customers are making these choices every day. With that said, how strong is the Angus brand in our current economy?

From a consumer perspective, *Certified Angus Beef*® (CAB®) appears to be faring very well in a soft economy. January sales numbers reached a record 54 million pounds (lb.). This is the largest January ever and the 10th best month in the 30-plus-year history of the CAB program!

Since the beginning of fiscal year (FY) 2009 (Oct. 1, 2008), CAB sales are up 2% over the

prior fiscal year, which posted an ending sales number of a record 634 million lb. Perhaps in a poor economy, the quality and consistency that the CAB brand provides demonstrates that consumers are loyal to the products they can count on to satisfy their needs.

Breeder level

As a breed, we have proudly called ourselves "The Business Breed." In an uncertain economy, cattlemen, like consumers, are forced to prioritize their purchases. How is demand for the products and services we offer as a breed faring in these uncertain times? The message here is good as well.

When we look at current enrollments in the AngusSource® Program for FY 2009, for instance, they are steady with FY 2008

enrollments. Given that we are in a lower market and that margins are certainly tighter for cattlemen than last year, the enrollment level documents the economic value of verifying source, age and genetics. Remember that 2008 was a record year for AngusSource, posting a 24.8% increase over 2007 with more than 113,000 head enrolled in the program.

As I write this column, the bull sale season is in full swing and early reports are repeatedly pointing to increased or steady prices with excellent demand for Angus bulls by commercial cattlemen. Perhaps the quality and consistent results provided by using Angus genetics have created the same loyalties in commercial cattlemen that CAB has created among its consumers.

The emerging message we are receiving from cattlemen and consumers alike is a strong one: "Provide me with a quality product that I can count on and I will make your product a priority!"

If the demand for CAB, enrollments in AngusSource and the purchases of Angus bulls are strong in our current economic circumstance, imagine the opportunities that we will have when the economy turns the corner. Perhaps there is good reason to be optimistic about the *strength of the Angus brand*.

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