

The power of the paper

Registering your bulls is the first step in protecting — and building — demand for your product.

Your product

Every day, when you get up to tend to your farm or ranch, you have a team of 100-plus people in Wooster, Ohio, representing your interests by promoting your product across America and overseas.

That team, which was formed in the late 1970s, is Certified Angus Beef LLC (CAB) — and it puts the Angus breed in an enviable position. Consumers, restaurateurs, retailers and others recognize the consistently high quality of the brand. Even during these tough economic times, CAB has enjoyed annual growth that could reach 20% this year.

Back in 2002, Cattle-Fax examined the impact of consumer demand on Angus bull prices and estimated that for every 1 million pounds of *Certified Angus Beef*® (CAB®) product sold, \$1 in value was added to the price of an Angus bull.

In fiscal year 2010, we're expected to produce more than 750 million pounds of CAB product. Although we don't know if

that ratio has changed, we can be sure this program remains a huge factor in average totals for registered Angus bulls today.

Another ongoing study, which began more than a decade ago, evaluates prices for calves at a dozen livestock markets. The study shows Angus calves on average bring nearly \$35 more per head than calves of other breeds — a tremendous advantage for commercial producers.

This "pull-through" consumer demand provides Angus breeders with a tremendous economic advantage over our competitors, and gives us a strong foundation upon which to build our businesses in the future.

As all of us know, all dollars generated by agriculture ultimately come from the consumer — and CAB is arguably the beef industry's most effective effort to connect our ranches and the consumer marketplace.

At the same time, none of us on Team Angus — representing the combined efforts of our members and all of our subsidiaries — are taking our position for granted. We realize how fragile a strong marketing position can be, and recognize that we must work harder every day not only to hold on to what we've built, but also to ensure its continued growth.

Your paper

One of the key areas that we plan to address in the coming months is communicating the value of the registered Angus bull. We want commercial cattle producers to recognize that there is, in fact, a substantial difference between a bull with papers versus one without.

And, we want producers of Angus seedstock to understand that registering their bulls is the first step toward assuring their customers of the quality in their genetics.

It's also an investment. By registering their cattle, producers provide the basis for not only product promotion, but also a wide array of Association services, including genetic evaluation. That ultimately strengthens and enhances our position in the marketplace — and the power of Angus.

So the next time you have customers at your farm or ranch, let them know about all the good things we're doing to enhance value for their Angus-sired calves. And, also take a few moments to tell them about the importance of the registration paper and why it provides the basis for all the work we do.

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AMERICAN ANGUS ASSOCIATION

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