

# Quality Genetics, Quality Eating Experience

The beef industry turned itself into a success story by focusing on quality.

by *Kasey Brown*, associate editor; *Shauna Rose Hermel*, editor; & *Linda Robbins*, assistant editor

The beef industry has a great story. It recognized its issues and turned disadvantages into advantages, explained Nevil Speer, vice president of U.S. operations for AgriClear. He spoke to attendees of Angus University, which was part of the Angus Means Business National Convention & Trade Show in Kansas City, Mo., Nov. 4-6, 2014.

The 1980s and 1990s were a rough time for the beef industry. Beef was rapidly losing market share at an 11:1 disadvantage to pork and poultry. Speer said the National Beef Quality Audit (NBQA) kept showing that beef's biggest issues were ones that beef was supposed to be good at — tenderness, uniformity, external fat and marbling. Beef was working in a commodity mind-set. There was no emphasis on value, just on cost. The industry was unresponsive to consumers and, thus, was losing market share.

The industry needed to switch from product marketing, a commodity

orientation, to solution marketing, an end-product orientation. Customer-centric thinking was to reverse the traditional value chain, he noted. Essentially, it creates pull-through demand where the consumer wants the product so the product is produced, instead of producing a product and hoping the consumer will buy it. The way to do this was to focus on quality.

It took 20 years of work, but the industry has enhanced beef quality and consistency, with more responsive precision and efficiency of product delivery to various consumer segments. The bottom line, Speer added, is that improved customer satisfaction is anchoring spending in challenging economic times.

To beat the commodity trap, the beef industry realized it couldn't compete with low-cost rivals on price. Speer explained, "You turn the trap to your advantage, and contain the low-end players' market power to the low end."

Beef's pricing power is more than double the spending on both pork and poultry, he reported. The value of fed cattle has more than doubled in the last five years. Consumers will pay for quality beef and have not hit the price ceiling of what they are willing to pay yet.

However, he warned, complacency is not an option.

He concluded by citing Jim Collins' book *Built to Last*: "If an industry is to meet the challenges of a changing world, it must be prepared to change everything about itself except [its basic] beliefs. The only sacred cow in an organization should be its basic philosophy of doing business."

— by *Kasey Brown*



PHOTO BY SHAUNA ROSE HERMEL

► The bottom line is that improved customer satisfaction is anchoring spending in challenging economic times, said Nevil Speer, vice president of U.S. operations for AgriClear. To listen to Speer's presentation, click the photo above or go to <https://www.youtube.com/watch?v=NWclqFKkNtg>.



PHOTO COURTESY AMERICAN ANGUS ASSOCIATION

► Chef Ric Rosser shared with Angus University attendees the personal connection he and his wife developed meeting the ranchers involved in raising cattle for the CAB® brand. What impressed him the most about those ranchers was the dedication they had to their animals and their families.

## Passion for cooking quality beef

"Could I get more cows?" Chef Ric Rosser repeatedly asked cattlemen attending Angus University, driving home the message that he could sell more quality meat if he could get more.

Rosser talked about his years as the executive chef at Saltgrass Steak House and his trips to Montana and Texas on ranch visits, interrupting himself often as a particular photo would flash onto the screen, then continuing his story of using



PHOTO BY SHAUNA ROSE HERMEL

► From left, panelists Kenny Knight, Bronc May and Jim Wilson addressed the importance of health when it comes to quality. All three panelists were included in the original award-winning “A Story of a Steak” series.

the equivalent of 140,000 head of cattle per year in the last 10 years at the restaurant. They served enough potatoes annually at Saltgrass to fill the equivalent of three football fields, stacked 3 feet high, he explained.

Rosser told stories to relate his feelings of personal connection to the ranchers he and his wife had visited, and to his sincere conviction in the superiority of the *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand. He emphasized he didn’t want the attendees to think he was expressing this admiration for them and their product as a compliment just for the convention, but rather as an educated and experienced advocate for the best of steaks.

Talking about his experiences with his brother-in-law and his nephew, Rosser asked the crowd if they knew what FFA really stood for and then answered his own question — “Fathers Feeding Animals.”

After his presentation he answered a couple of questions from Larry Corah, retired vice president of supply development for Certified Angus Beef LLC (CAB). Rosser talked about adjusting to larger ribeye steaks in the restaurant business, particularly as to the way he has to cut them and how the steaks look on the plate. He noted that while he understands that cattle are larger now, and it makes sense on the producer side to have larger cattle, it does create some challenges at the restaurant level.

As for his takeaway from visiting with ranchers and learning about the people who produce CAB, Rosser said, “It’s their dedication to their animals and their families.”

As to pricing in the restaurant in view of the rising costs of quality beef, Rosser suggested new products from previously

underutilized parts of the beef animal, perhaps a new cut that could be used in place of cuts that are currently more expensive in a restaurant setting.

— by Linda Robbins

### A step further at the ranch

As part of an Angus University panel discussing the importance of health in relation to quality, Tom Field, University of Nebraska–Lincoln, asked how seedstock producers might impact cattle health and how they might impact their customers’ behavior in terms of producing an even better product for those receiving cattle at the feedyard. Traceability, a strong relationship that includes data sharing with the feeder, and preparing seedstock for their working environment were the nuggets gleaned by the director of the Engler Agribusiness Entrepreneurship Program at the university’s Institute of Agriculture and Natural Resources.

The consumer wants traceback to the ranch, Kenny Knight, president of Knight Farms, Knight Feedlot and Bar K Bar Trucking of Lyons, Kan., responded.

“We’ve been afraid of that for years. I don’t think we have anything to be afraid of,” Knight said. “I think we need to get that done.”

While the market is good now, that won’t always be the case, Knight warned, foreseeing traceability a requirement of selling cattle in the future.

“We can sell beef to about anybody at any price right now,” he said. “Let that thing turn a little bit, and I would urge you to be prepared. Use all the bells and whistles you have to get those cattle as marketable as you can.”

Bronc May, custom feed manager for Simplot Land and Livestock at Grand View,

Idaho, agreed and encouraged seedstock producers to focus on consumer satisfaction.

“People out there need to understand what the consumer wants, and it’s not what you want to produce; it’s not what the feedyard wants to feed; it’s what the consumer wants,” he explained. “If the consumer wants high-quality cattle, as a seedstock operator I think it is your responsibility to get there.”

Recognizing there are a lot of ways to get there, May encouraged seedstock producers to cover the bases on animal health, reduce stress on the cattle and build a relationship with whoever feeds the cattle in order to get data back that can be used to improve the herd.

Once a seedstock producer himself, Jim Williams of the V Ranch, Thermopolis, Wyo., encouraged cattlemen to prepare the cattle with their destination in mind.

“You have to provide an animal that will go out and work, get those cows bred, so that that producer can have a [calf] to sell,” said Williams. “Modern transportation has spread genetics all over America. ... Before a bull goes from one destination to another, you need to realize that there are different problems in other areas than where that bull was raised, so take that into consideration. You might have to do a different vaccination program on those few individuals that go that way.”

Williams encouraged continued emphasis on expected progeny differences (EPDs), but he also issued a caution.

No other breed can come close to providing the accurate, consistent and informative EPDs that the American Angus Association provides its members, noted Williams, adding a caveat. “I might warn you, don’t let the EPDs outrun the cattle,

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## Lessons Learned from the North Tower

NYFD Battalion Chief Richard Picciotto shares hair-raising and inspiring lessons from Sept. 11, 2001

Each of us has personal moments in our lives for which we will always remember where we were and what we were doing. It could be the birth of a child or where you proposed. However, there are only a few days for which most people across the country remember where they were. Sept. 11, 2001, is one of those days.

New York Fire Department Battalion Chief Richard Picciotto especially remembers, because he was in the north tower of the World Trade Center (WTC) when it fell.

The fire chief spoke candidly to attendees about the events of that day to kick off the Angus Means Business National Convention & Trade Show in Kansas City, Mo., Nov. 4-6, 2014.

He saved hundreds of lives by using previous experience evacuating the north tower after the WTC bombing in 1993. The rescue Sept. 11 started as a normal mission to stop or contain

the fire and help those trapped. Priorities changed when the south tower collapsed.

Picciotto's experience from 1993 told him that the bombing had almost taken down the building, and if the south tower collapsed, it was only a matter of time before the north tower would follow suit. He was on the 35th floor when he made the decision to evacuate the north tower.

This meant firefighters stopped moving up the tower to check the floors above and concentrated their efforts on getting all those on their floor and below down three narrow stairwells. Picciotto said it was one of the hardest decisions he had to make.

After making sweeps of each floor, he was in the stairwell helping a group of nonambulatory people when the north tower collapsed. It only took 8 seconds, but he said they were the slowest 8 seconds of his life. When the intense rumbling stopped, he thought he was dead. Upon realizing that he and 13 others were alive and in a void in the rubble, he tried establishing radio contact.

Obviously, there were issues, and the group of survivors spent many hours in the void. Refusing to submit to asphyxiation, he noticed a small area that was lighter in color than the all-surrounding black. He carefully went to the spot and shifted some of the rubble. Luckily, it ended up being an opening to the outside. He and the other ambulatory survivors emerged from the wreckage and debris. He likened this to how the country became stronger amidst the wreckage by uniting.

Picciotto said he took four major lessons from Sept. 11, 2001, and the following months of recovery.

(1) You have to put priorities in your life. Enjoy your career success, but don't exclude your family and friends. The best thing that came from Sept. 11, 2001, is that the country strengthened in unity, he added. He warned against voting for politicians that divide the parties instead of working for the common good.

(2) There is always hope. Look forward to the future, he recommended. The American spirit brought the country through the events of 9/11, and it is necessary to overcome future challenges.

(3) Charity is necessary. He explained that he lost many friends in the collapse of the towers. Support, both financial and emotional, was needed and felt. He shared that a charity was organized for kids who lost fathers in the fire department, and the emotional support was felt from all over the country.

(4) Pray. As the north tower collapsed, he prayed as hard as possible to die quickly. That prayer was unanswered, and he is thankful. He recommended being glad for the things still in store for you from unanswered prayers.

More details of his experience from 9/11 can be found in his book *Last Man Down: A Firefighter's Story of Survival and Escape from the World Trade Center*.

— by Kasey Brown, associate editor



► NYFD Battalion Chief Richard Picciotto shared the four lessons he learned from 9/11: You have to have priorities, there is always hope, charity is necessary, and prayer is important.

PHOTO BY SHAUNA ROSE HERMEL



PHOTO BY KASEY BROWN

► Attendees could get a signed copy of Richard Picciotto's book at the Angus booth.

because it is a very good tool, and it's a tool that's being used more and more all the time."

— by Shauna Rose Hermel

Speer, Rosser and the panel spoke Wednesday, Nov. 5, during the Angus University program featuring "A Story of A Steak." This extension of the award-

winning series of articles in *High Plains Journal* and segments on *The Angus Report* was sponsored with the support of Merck Animal Health. For more information about the Angus Means Business National Convention & Trade Show or to listen to their presentations, visit [www.angusconvention.com](http://www.angusconvention.com).



## Rural Matters

There is power in individuals in rural areas working together.

Chuck Schroeder, director of the Rural Futures Institute at the University of Nebraska, said it is imperative that rural areas attract the people who can make small communities the better choice. Schroeder said rural communities matter economically, socially, culturally and environmentally for the counties and states in which they are located and for the entire country.

"We have to take what we have and what we know and turn it into what we want," Schroeder asserted. "We look for local leaders who say, 'We're not OK with the way things are, and we're going to do what it takes to make it better.'"

Schroeder said there are many challenges to rural development, including job creation, business development, leadership, youth engagement, education, health care, child care and more. He said it comes down to individual responsibility and individual contributions that lead to a better community and a better country. Schroeder said many of the graduates the institute surveys every year and many young people who started their careers in large urban areas would like to live in smaller communities with some chance to make a positive difference.

"There are legitimate opportunities in rural areas for innovators and entrepreneurs," Schroeder said. What the Rural Futures Institute hopes to do, he added, is build the capacity of individuals and build their confidence. Schroeder said impacting and imparting hope — genuine hope — matters.

Schroeder quoted Shane Lopez, "Hope is an active choice. Hope can be learned. Hope can be shared." Schroeder said the Rural Futures Institute wants to make hope contagious. He said they use information from the Nebraska Rural Poll, which has been ongoing for 19 years. Though 65% or more of the respondents say they want a thriving rural community, only 30% think it is possible in the next 20 years.

Schroeder said hope inspires young people and agricultural leaders to strengthen rural communities and, thereby, strengthen America.

Schroeder spoke Wednesday, Nov. 5, during the Angus University program. For more information about the Angus Means Business National Convention & Trade Show, visit [www.angusconvention.com](http://www.angusconvention.com).

— by Linda Robbins, assistant editor



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► "There are legitimate opportunities in rural areas for innovators and entrepreneurs," said Chuck Schroeder, director of the Rural Futures Institute at the University of Nebraska.

## Active marketplace

Angus enthusiasts attending the 2014 National Convention & Trade Show in Kansas City, Mo., Nov. 4-6 took advantage of the opportunity to see new products and talk to company representatives in the trade show. It was a popular venue throughout the convention.



PHOTOS BY KASEY BROWN

