

Add Marbling, Increase Profits



Why taste matters for beef demand, and how it all depends on production management at the ranch.

by Lauren Mosher, Certified Angus Beef

Quality starts long before feedyard rations reach the bunk, and it weighs heavily on the bottom line. Brian Bertelsen, vice president of field operations for U.S. Premium Beef LLC (USPB), discussed marbling's effects on grid marketing at Certified Angus Beef's (CAB) 2022 Feeding Quality Forum.

"Quality is not a recent trend, but instead

a long-term trend," Bertelsen said.

With a Choice-Select spread of \$12 per hundredweight (cwt.) in 2020 and \$18.50 per cwt. in 2021 (the highest in 10 years), the numbers speak for themselves. Prime percentages keep growing, averaging 10% in recent years, but rewards on the grid are actually larger.

The industry is supplying a higher-quality

product, with better eating satisfaction, and consumer demand drives that higher premium in the wake of increased supply. Historically, most Prime is purchased by restaurants. When supplies increase, it allows for wider retail availability.

Due to decreasing percentage of Select in the industry — from 37% to 14% in just six years — the industry has pushed retailers to



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Above: The growing availability of USDA Prime allows grocery stores to purchase more higher-quality product for their shoppers. “Select may be cheaper for the grocery store, but consumers notice that taste difference,” USPB’s Brian Bertelsen said.

Left: Analyzing results of individual animals marketed on the USPB grid and sorted by yield grade reveals that as yield grade increases, so does carcass weight, marbling and total dollars per head on the grid.

purchase less Select and instead buy higher-quality meat, Bertelsen elaborated.

“Select may be cheaper for the grocery store, but consumers notice that taste difference,” he said.

The difference

What does that demand all come down to? Marbling.

“You can use EPDs (expected progeny differences) to build genetic potential — but then you have to manage the animal to express that,” Bertelsen said.

Specifically, producers must carefully manage body condition scores, herd health, docility, calving season and colostrum. To

tweak it even further, bull calves should be castrated early and, once weaned, fed grain-based growing rations.

While the calories in corn enhance marbling, the key management component is targeting an optimal end weight or body fatness, he said. That’s where partnering with a seasoned cattle feeder becomes critical. Analyzing results of individual animals marketed on the USPB grid, sorted by yield grade, showed that as yield grade increases, so does carcass weight, marbling and total dollars per head on the grid.

Bottom line

Bertelsen noted marbling continues to influence the grid and adds to the bottom line.

In the 2021 packer survey conducted by CAB, premiums from cattle qualifying for CAB reached \$182 million, or more than \$3

million per week paid to producers. The top reason cattle don’t qualify for the brand has always been insufficient marbling.

In search of those premiums, cattlemen may wonder if it’s possible to meet the specification on marbling by feeding cattle longer. Bertelsen said it definitely helps.

“Cattle with the most genetic potential are the ones we ‘ought to feed longer,” Bertelsen said. “If an additional three weeks on feed is the line between achieving a higher quality grade, those extra days will increase total value because we’re adding marbling, carcass weight and total dollars per head.”

Marbling has the biggest effect on the price per pound of a carcass on a grid, but ribeye size and backfat are the best indicators for muscling and leanness. For cow-calf producers, it’s a balance between carcass quality and maternal traits, Bertelsen said.

That balance comes down to personal preference, genetics and the market.

“How long we feed them depends on the potential for the animal and market conditions, or premiums on the grid,” Bertelsen said. “If cattle producers are willing to change their mindset, there can be significant increases in total income through feeding to the proper end point and marketing on a value-based grid.”

Taking the time to fine-tune marbling potential affects the cattleman’s bottom line and consumer demand, he concluded. **ABB**

Editor’s note: Lauren Mosher was a summer intern for Certified Angus Beef.

Digital EXTRAs



Listen to Brian Bertelsen go into more detail in this *Angus at Work* episode.



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