

Helping Cattlemen Make a Dollar

The best way to engage with Certified Angus Beef is by raising cattle that qualify for the brand.

by Morgan Boecker, Certified Angus Beef



“The more product produced and put on the market for CAB customers, the more they’re able to sell. Everyone in the beef supply chain can capitalize on those premiums to grow. Demand, demand, demand, demand.” — Paul Dykstra



Focusing on the beef can help cattlemen earn extra dollars. Consumers vote with their pocketbooks every time they fill their grocery cart or order at a restaurant. When they choose the *Certified Angus Beef*® brand, it boosts demand.

“Folks want the best beef, and they seek it out,” said Paul Dykstra, Certified Angus Beef (CAB) director of supply management and analysis. “As a result, the premium structure of the beef industry has developed around the brand and the attributes that it represents.”

Since the 1978 inception of CAB, 101 other USDA-certified beef brands arose, and as of now, 80 of those also have Angus in the name.

While the competition is growing, the brand’s team of 150 diligently works to differentiate CAB from the rest of the pack. Consumers can feel confident purchasing the CAB brand, a high-quality product that is the result of Angus farmers’ and ranchers’ commitment to quality.

As demand grows, producers receive these market signals in the form of premiums throughout the supply chain. Capturing those takes genetic, marketing and management strategies.

Marketing for a premium

“The best way for cattlemen to engage with the brand is to help increase supply,” said Kara Lee, CAB director of producer engagement.

Accessible premiums motivate that. Nearly 85% of North American packing plants are licensed to certify carcasses into the brand.

The first and most simple piece of CAB qualification is that cattle be predominantly black-hided, defined as having no white behind the shoulder, above the flanks or breaking the midline (excluding the tail). According to USDA data, more than 70% of fed cattle are Angus-influenced and meet these criteria, Dykstra said.

Then, those eligible carcasses must meet all 10 of the brand’s specifications: (1) modest or higher marbling, (2) 10- to 16-square-inch (in.) ribeye area, (3) 1,100-pounds (lb.) or less hot carcass weight, (4) 1 in. or less fat thickness, (5) medium or fine marbling texture, (6) 30 months of age or younger, (7) superior muscling, (8) no neck hump exceeding 2 in., (9) practically free of capillary rupture, and (10) no dark-cutters.

In 2021, CAB premiums reached \$182 million, or roughly \$500,000 paid daily by licensed packers to owners of cattle qualifying for the brand. That incentive is the market communicating strong demand for the leading brand of premium beef.

“CAB premiums are happening all through the supply chain, even if it doesn’t always get its own line item on a receipt,” Dykstra added.

Farmers and ranchers have a history of success in hitting a market target with a financial reward. While retaining ownership through the feedyard is the most direct way to earn CAB premiums, there are more ways to capture some of that.

Cattle should be marketed in a way that communicates the potential value they hold under the hide. For seedstock breeders, it’s by making sure customers know this potential and the value of the genetics they’re buying, Dykstra said.

“When those commercial feeder

calves are weaned in the fall, a phone call to a feedyard or cattle buyer is a basic but great place to start. If they've got the genetics backing them up, that's greater marketability for the seller," he said.

The right genetic base

The more cattlemen produce for the brand, the more beef CAB-licensed partners can sell. Last year that total came to 1.234 billion lb., the second-highest sales year on record.

The brand's goal is to sell more than 2 billion lb. annually.

"We first have to put two billion lb. of the *Certified Angus Beef*® brand in a box, and we don't do that today," Lee said.

The recent average acceptance rate into the brand is 35%, but it needs to be closer to 50% to reach that goal.

"The number-one reason carcasses are not successful in earning the brand most often comes down to marbling," Dykstra said. "That's why we talk about it a lot."

Marbling is a lifetime event and highly heritable, so it's an easy place for Angus breeders to start. The correlations are relatively weak between marbling and many other traits that are important to cow-calf producers, like performance and maternal function, Lee said. Those weak correlations allow for simultaneous progress across multiple traits in a cow herd.

For Angus breeders who put an emphasis on carcass genetics, an easy tool to identify animals with greater potential for those traits is the Targeting the Brand™ logo. Any registered Angus animal that meets a minimum expected progeny difference (EPD) for marbling of +0.65 and Grid Value index (\$G) of +55 can be marketed alongside the *Targeting the Brand* logo.

Cattlemen need a balanced cow herd, ensuring cows and bulls are also phenotypically correct. *Targeting the Brand* is simply a marketing tool — a threshold — to quickly identify those bulls and females with the genetic potential to produce more CAB qualifiers.

It also gives them latitude to look for other economically important traits needed in their commercial programs, Lee said.

After marbling, a ribeye too large, heavy hot carcass weight or excessive backfat are the next most common areas where cattle miss certification for the brand.

"We're not going to capitalize on mating decisions at the consumer level for a few more years," she said. "So we have to live with those decisions for a long time, whether they're good or bad."

With genetics only part of the equation, responsibility falls on cattlemen and women to manage cattle and resources for optimal performance.

Progressive management

As the leading data collectors in the cattle business, Angus breeders can take it a step further by validating and documenting their management practices.

An easy and effective way to communicate how cattle are cared for at the ranch is through Beef Quality Assurance (BQA) certification or an equivalent program.

"But we really need you to tell us that you're certified," Lee said. "Not because we think farmers and ranchers are doing things wrong and we're trying to fix their ways. We're trying to help producers get more credit for the things already being done."

That's why CAB launched a rancher-facing campaign called "Cut the Bull." The campaign highlights BQA certification as a tool for truth for farmers and ranchers to verify the good work they do every day raising cattle. If interested, cattlemen and women can share their BQA or equivalent certificate at www.CutTheBull.info.

Little details go a long way in differentiating the brand from other programs. It helps consumers feel good about their beef and keeps them reaching for the *Certified Angus Beef*® brand on grocery store shelves.

"The new dollars in our business come from the consumer," Dykstra said. "We get to share consumer dollars back through the beef supply chain based on what we've achieved at CAB by each player capitalizing on a margin opportunity. Otherwise, they wouldn't do it." 

