

# Taking the Next Step: Feedlots

## The Certified Angus Beef Program unveils new feedlot-licensing program

Story by  
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U.S. cattle feeders gained access to an important new resource Jan. 1 when the Certified Angus Beef (CAB) Program rolled out its new Feedlot-Licensing Program, along with a new "partner" trademark for exclusive use by licensed feedlots (see page 4). The new program builds on the CAB Program's 10-year record of working with commercial feedlots in supply development programs.

The aim is to channel more Angus-type cattle to licensed CAB Program packers and increase *Certified Angus Beef*™ product supplies to keep pace with rapidly growing demand.

The Feedlot-Licensing Program formalizes the link between farmers and ranchers who aim to produce Angus-type cattle eligible for the CAB Program and licensed packers interested in securing more *Certified Angus Beef* product.

### Value link

"Cooperating feedlots are a critical value link in growing the supply," says

Louis "Mick" Colvin, executive director of the CAB Program. The goal is to create a structure that will increase the number of high-quality, profitable Angus-type cattle available for feeding and slaughter, he adds.

Packer licensing had reached a practical top, encompassing 33 firms, which process 80% of all fed cattle in this country. Product usage advanced to about 240 pounds (lb.) per carcass, on the way to a goal of more than 300 lb. as new products bring greater utilization of chuck, round and ground beef.

"For the last 10 years supply development staff have evaluated carcass merit traits to provide a roadmap for Angus producers to increase production of *Certified Angus Beef* product," says Larry Corah, the Program's head of supply development. "Angus sire data was the driver responsible for a greater than 18% acceptance rate in the 8.9 million cattle eligible for CAB Program evaluations last year. Now we need to make it easier for producers to travel those roads toward our 10-year goal of 30% acceptance."

Demand has driven expansion of the CAB Program, which has sustained an annual growth rate of 25% during the past five years, accounting for some 411 million lb. of product in the last fiscal year. Demand from retailers, exporters



and the foodservice industry is greater than the supply of *Certified Angus Beef* product available today. That's why a successful future is tied to prospects of growing the producer base, starting with licensed feedlots, Corah says.

In a commodity-dominated cattle industry where low producer prices are blamed on oversupply, the fact that strong demand for *Certified Angus Beef* product is

## A mark of excellence



The *Certified Angus Beef* (CAB) Program's supply development team is unveiling a new trademark. Use of the mark is an exclusive right of licensees in the Program's new Feedlot-Licensing Program. With its emphasis on the live animal, incorporation of the original CAB Program trade-

mark and the word "Partner" in block letters at the base, the new logo clearly represents Program supply development.

Only licensed feedlots will be able to use the *Certified Angus Beef*™ "Partner" logo. By licensing feedlots, producers obtain a more direct link to the CAB Program. Continued success with this program may lead to more structured programs in the future between seedstock operators, commercial producers and feedlots.

The Partner logo will be used by CAB Program staff in conjunction with the newsletter for licensed feedyards, ValueLink.

No unlicensed producer can use any Program trademark or refer to their bulls as *Certified Angus Beef* sires. However, licensed feedlots may choose to advertise in the sale catalogs of allied seedstock pro-

ducers and use the *Certified Angus Beef* partner logo in an ad. In addition, there are other opportunities to identify a seedstock operation's involvement with the Program.

### Possible statements for a ranch:

- Sire Evaluation Program participant since 1992.
- Tested "X" bulls for progeny carcass merit.
- Associated with Feedlot A, a licensed *Certified Angus Beef* Program partner.

### Possible statements for your cattle:

- Eligible for *Certified Angus Beef* Program evaluation.
- Meet the *Certified Angus Beef* Program's live-cattle specifications.

Statements should be based on facts to prevent misleading information that could be damaging to seedstock suppliers, commercial producers or the Angus breed. For more information, contact supply development staff at 1-800-225-2333.

pulling more supply into the pipeline is good news for producers, he adds. "Every producer can benefit from our new Feedlot-Licensing Program. It is size-neutral, encompassing everything from 100,000-head to 100-head feedlots to facilitate links and two-way information flow with all sizes of Angus seedstock and commercial cow-calf herds."

### **Program requirements**

For the program to succeed, licensed feedlots must provide added value and follow established management practices for sorting, handling, nutrition, health and other factors, Corah says. The CAB Program must be able to evaluate licensees based on established guidelines and efficiently and effectively track cattle from those feedlots to licensed plants for evaluation by U.S. Department of Agriculture (USDA) graders.

Licensees will work with cow-calf producers in offering financing for shared- and retained-ownership programs and in coordinating management

practices to allow carcass-quality genetics to be fully expressed.

CAB Program staff will assist licensed feedlots in locating Angus cattle of superior genetics and will coordinate information sharing between industry segments, Corah explains. Each feedlot will have a certified quality assurance officer, trained by CAB Program staff, who will coordinate an evolution in feedlot management toward practices that improve *Certified Angus Beef* product acceptance rates.

Licensed feedlots will devote a significant percentage of their capacity to CAB Program cattle, as stipulated in the agreement, which also involves participation in structured cattle marketing with licensed packers. Feedlots will pay \$2/head as designated CAB Program cattle enter the yard. That fee will cover feedlot tag costs, personnel training, promotion of the feedlot and information flow, Corah says.

### **Good business**

Response from the feeding sector has been positive, with numerous commercial yards from the Corn Belt to the High

Plains and the West expressing strong interest.

Max Deets, former president of the National Cattlemen's Beef Association (NCBA) and manager of Solomon Valley Feedyard, Beloit, Kan., helped advise the CAB Program in developing the Feedlot-Licensing Program. He says cattle feeders will be interested in the new program because "it's good business."

Feedlot operators will appreciate the assistance with procurement, Deets says. "They also will like attracting more dollars for premium cattle, while helping to build an information database. Cattle feeders will want to advance industry trends and join the team that has worked for 20 years to make the Certified Angus Beef Program the success that it is today."

**Editor's Note:** *Steve Suther is the director of industry information for the Certified Angus Beef Program.*

