

CAB CONNECTION

Generations Produce and Enjoy the Best

by Steve Suther, Certified Angus Beef LLC



At 63, I'm in the middle of the Baby Boom generation now known for its wave of retirement from career work. I

recently shifted to 50%, allowing more time for family and our commercial Angus cows. That's after 20 years on the *Certified Angus Beef®* (CAB®) brand team, focused every day on why and how all cow-herd managers can produce better beef more profitably.

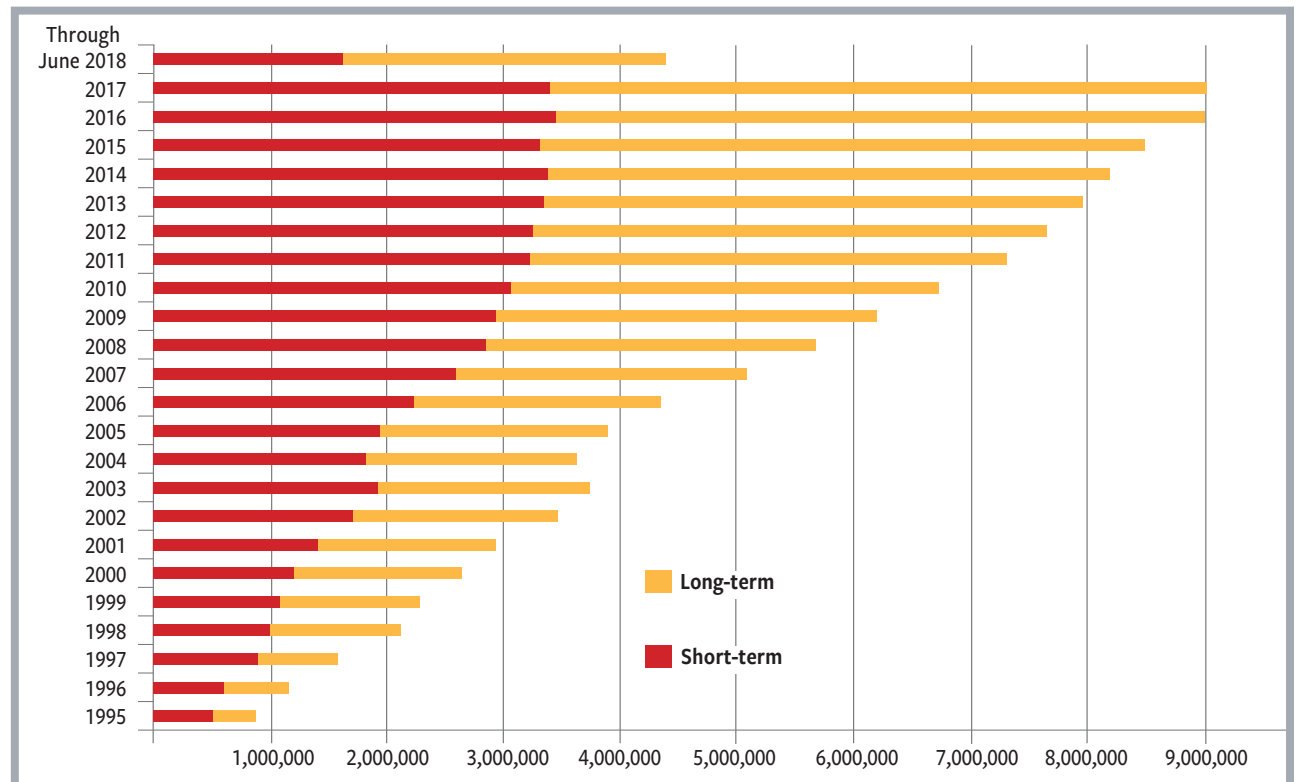
"How" is about the details of selection and management, from daily work with the herd to building fences and facilities. "Why" looks at the full mission and whether our target market is valid and growing.

The market's main shift since the late 1990s was a transformation from commodity for average price to higher-quality calves for a premium. Our herd moved from unknown quality first measured at 10% CAB in 2000 to the 75% CAB area in this decade and now targeting CAB Prime for more than 10% of the calves.

When rain is elusive and hay expensive, when we realize we are now older than the average beef producer and sometimes feel like it, we need to check the road map. We can't afford to spend more time in "retirement" wandering the back roads or spinning wheels if this premium beef movement is played out.

I've documented the increasing producer demand for Angus genetics and shown those roots in rising consumer demand for highly marbled beef. The CAB brand led that demand surge

Fig. 2: Yearly foodservice sales, lb., into short- and long-term healthcare customers



throughout this century, growing exponentially at times.

My generation led the demand itself. Baby Boomers, born from 1946 through 1964, were the first group made popular by media and social studies, the first to grow up in a time of rising incomes and relative peace, to travel widely and

find a taste for higher quality.

The first Boomers began claiming "senior" discounts at the turn of the century, and although healthier than previous generations, as expected, their volume meant hospitals began serving an increasing number of them. Predictably, they complained about the food.

That's when CAB entered the health care arena and steadily won a larger and larger role to include senior living and other institutional demand today. It may be ironic, but I like it: My active "retirement" finds bedrock beef demand from my own generation, even as the younger crowd catches on to the quality for the wide array of other reasons.

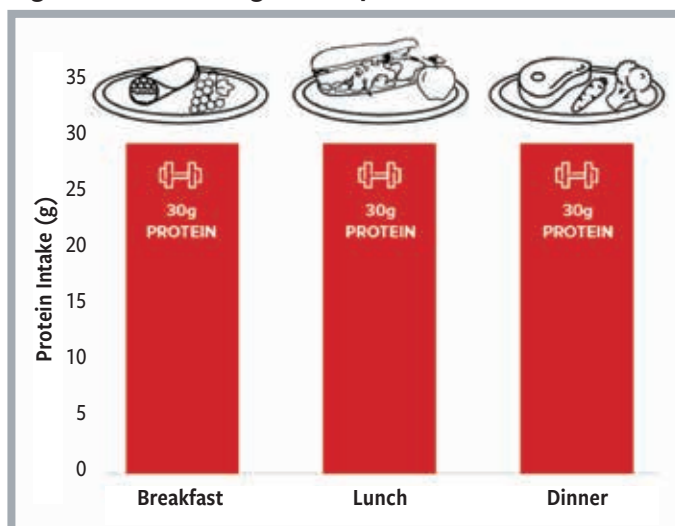
A younger Boomer, Patti Dollarhide, was director of foodservice

at Via Christi Hospital in Wichita, Kan., in 1999, fielding those complaints. Raised on a farm with cattle and channeling a first career as a veterinary technician, the human-health dietitian had the perspective to see solutions. She would later sell beef for Cargill before joining Kansas State University's Beef Cattle Institute as program director, value chain.

"When I was in vet tech, the focus was on nutrition and preventive health care," she says. "I was surprised to find less concern in hospitals — at least some people were getting fed IV (intravenously). When I became a dietitian, we were taught fat was the villain, and we did everything we could do to get rid of fat. I felt lied to."

She wasn't alone. The beef industry's own "War on Fat" was a reaction to misguided healthcare concerns. Angus producers advanced the expected progeny difference (EPD) for marbling by

Fig. 1: Aim for 20-30 grams of protein at each meal



USDA nutritional advice calls for 20-30 grams of protein at each meal — much easier to accomplish with just 3 ounces of beef, but it has to be tender and tasty to deliver that content so critical to seniors.

Continued on page 70

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just 0.08 in the decade leading up to 1998, adding another 0.47 in the next 20 years once they realized taste fat determined grid value.

Dietitians in the late 1990s “cooked by the numbers,” getting the right nutrients on the plate, less concerned for flavor — but lean beef without marbling did not reheat well. Nutrients were poorly delivered, and people complained. Via Christi had an opportunity, Dollarhide says: A new team of former Marriott chefs could create great meals with beef in a starring role.

“We were looking for a story and found that along with the performance we needed with CAB inside rounds,” she says.

The hospital made headlines as the first to partner with the brand. Many more would follow (see chart), helping to lift demand for the best beef.

“Nutrition in beef has kind of been let out of jail,” she says.

It's not just hospitals. The spectrum of health care and senior-living facilities represent two of the top four foodservice growth markets in the United States, as an estimated 11,000 boomers turn 65 each day.

CAB's Diane DiDonato, executive account manager for contract sales (and a member of Generation X), has helped grow the brand's presence in contracts with institutions.

“From care homes to assisted living and luxury retirement communities, the Baby Boomers expect more,” she says. “Some of those require deposits of up to \$1 million just to get on the list to move in, but across the range, food is a huge event. Especially in assisted living where they don't get out, it's the main chance to socialize.”

In many cases, residents are not elderly and still very mobile, DiDonato says. They shop for groceries and often buy the CAB brand as comfort food, as much for flavor as tenderness.

“Seniors are increasingly aware of our brand, used to seeing us and taking comfort in seeing the brand

they buy on their menus, too,” she says. Most community-style accounts have food committees of residents, and CAB stays on those menus because it consistently satisfies.

Among CAB fresh cuts, the top five in sales order to institutions are ground beef, eye of round, inside round, outside round and brisket. Corned beef wins the volume prize in value-added product sales.

Younger generations enter the picture via those sales to university and college foodservice divisions. Those diners are into more diversity, but the story appeals to them, DiDonato says.

“They know when you buy CAB, you're supporting your local ranchers by creating more demand.”

Encouragement to produce premium beef had to overcome some ranchers' perceptions that too much marbling interferes with more important traits. Research helped by showing genetic selection can easily move marbling up or down with little impact on other goals.

All that gives me confidence to keep *Targeting the Brand* with our Angus herd, as CAB sets records for both volume sold and premiums paid to producers.

Having bought bulls largely by the numbers for decades, I have to check the latest genetic trend tables to make sure my next one is at least above breed average for marbling. That usually leaves a lot of options to look over for docility, heifer pregnancy, efficiency, calving ease and growth, while keeping mature height stable.

Our target market changes only insofar as getting more animals to qualify for CAB and Prime while making steady gains across the board.

I feel an even closer connection to the brand, considering how much my generation drives our growing demand. ■

Editor's note: This column is a regular column authored by staff of Certified Angus Beef LLC to provide insights into the brand and how commercial cattlemen, feeders, packers and consumers can profit from its high-quality target. Steve Suther is senior editor for producer communication.