

ANGUS

BEEF BULLETIN®

"The Commercial Cattleman's Angus Connection"

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'Thanks a Billion'

CAB President John Stika shares milestone.

by **SHAUNA ROSE HERMEL**, editor

Certified Angus Beef LLC (CAB) continues to grow as a testament to the vision Association leaders had nearly four decades ago, and the steadfastness it took to see the fledgling program through to success.

Since the first pound of *Certified Angus Beef*® (CAB®) product was sold Oct. 18, 1978, annual sales have grown every year with the exception of four, CAB President John Stika told cattlemen gathered for the opening session of the 2016 Angus Convention. Since 2004, during which sales decreased on the heels of finding bovine spongiform encephalopathy (BSE) in the United States, CAB has experienced growth 11 straight years, the

last nine setting records in annual sales volume even in light of a tough economy and tight supplies.

2016 will go down as the 10th year an annual sales record was posted. Perhaps more historically important, he noted, 2016 will mark the year efforts of ranchers, feeders, packers and licensed end users combined to drive CAB sales in excess of a billion pounds (lb.) — 15 million lb. in excess, in fact.

"If that doesn't make you excited, I don't know what does," said Stika.

Sales in fiscal year (FY) 2016 grew by 119 million lb., Stika shared. "To give you some perspective, that 119 million pounds in growth ... is more than the brand sold during its first 10 years of existence combined.

"To give you more perspective, it took two years for licensed partners to sell a million pounds when the brand was first started," he noted. "Today, on your behalf as registered Angus breeders, our licensed network of 18,000 partners sell a million pounds every 2 hours and 3 minutes during the business day."

Stika walked attendees through some of the sales specifics, including monthly sales statistics and departmental breakouts such as international, domestic, foodservice and retail.

While the brand's licensed partners had a great year selling the product, Stika said the catalyst for reaching the billion-pound milestone was rooted in

(Continued on page 2)

'Thanks a Billion' (from cover)

the availability of more high-quality Angus cattle coming to market than ever before.

"As expansion took place in the areas where you live, it's been absolutely phenomenal to see you and your customers assemble, in all honesty, what is the highest-quality, most Angus-influenced cow herd North America has ever seen," he observed. "It represents one of the most purpose-driven expansions ever to take place in the beef community, because it was an expansion that happened with the consumer and their needs at least in consideration."

Combining a 6%-7% increase in the number of Angus-influenced cattle entering packing plants with a record 28.9% CAB acceptance rate resulted in a 12.5% increase in the numbers of carcasses stamped with the CAB brand. Those 430,000 additional carcasses equated to the equivalent of a month and a half more supply this year than the year before, he explained.

"The success of selling a billion pounds at the end of the day needs to come back to drive demand for the cattle that you raise," Stika said. "That's really what this brand was established for back in 1978 — to drive demand for the cattle that you raise and put out in the market place." It creates a pull-through demand.

"That demand starts with consumers and end users and ultimately makes its way through the merchandising system to your customers and to your operations," said Stika, pointing to premiums customers pay for Angus value from the dinner table to the price commercial producers pay for a registered Angus bull.

"With that, I just want to say, thanks a billion," Stika concluded. "Also, I want to congratulate each and every one of you for the success that you have helped



The 132 employees of Certified Angus Beef work for members under the mission statement of continuing to drive demand for registered Angus cattle by continuing to provide consumers around the world with the great-tasting, high-quality, ever-consistent product they have come to know as the *Certified Angus Beef®* brand.

create by continuing to focus on producing high-quality Angus cattle to service the demand for high-quality beef worldwide for *Certified Angus Beef.*"

Decisions of lasting impact

CEO Allen Moczygemba took to the stage in Indianapolis, Ind., Nov. 5 to welcome Angus members, commercial cattlemen and allied industry to the 2016 Angus Convention. Celebrating the heritage of the breed, he emphasized the impact of George Grant's decision to bring Aberdeen-Angus bulls to Kansas in 1873.

"One decision, made by one man, ultimately changed the course of the cattle business," said Moczygemba. "Because of that decision, today Angus touches every corner, every farm and ranch in this country, and people in restaurants around the world dine on the beef we produce."

Citing many of the organization's milestones, Moczygemba pointed out that the American Angus Association has a long history of making "the right decision at the right time."

"Each decision built upon the other, creating synergies and ultimately setting the foundation for the great success we enjoy today," he noted.

"While I'm a student of the past, I'm also a planner," Moczygemba shared. "While the past is our foundation, a plan serves as the compass for the future, and while the two work hand-in-hand, you can never let your past control your future."

Moczygemba warned of the dangers of complacency, comparing the more recent 45-year histories of the Hereford and Angus breeds. He attributed the greater success of the Angus breed to two reasons — (1) staying true to its mission and (2) strong leadership with the resolve to plan for the future and position the Association for long-term growth.

Since he took the helm of the organization in December 2015, he's witnessed that same commitment to innovative decision-making among the Association's current leadership, he shared. A result of that commitment is the Long-Range Strategic Plan unveiled at the Association's annual business meeting Nov. 7 (see the brochure inserted in this issue).

To watch the full opening session of the 2016 Angus Convention, including both comments by Moczygemba and Certified Angus Beef LLC (CAB) President John Stika, visit <http://bit.ly/Allen-John>. For additional coverage of the Angus Convention — including summaries, speaker presentations, photos, videos and more — visit the convention newsroom at www.angus.media/news/Angus-Convention.

— by **Shauna Rose Hermel**



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