



Your Link to

by **STEVE SUTHER**, *Certified Angus Beef LLC*



Partners along the chain

You may have noticed prices at your local retail meatcase are record-high this summer, even as wholesale beef and live-cattle prices eased off. Foodservice and international sales moved ahead in spite of those prices, but the retail world found more of a struggle.

What's a retail meat manager to do? Fortunately, your supermarket partners share the commitment to quality, and they keep finding new ways to market the premium beef you produce.

They're in it for the long haul, just like

a rancher who bought a pricey battery of new registered-Angus bulls this spring. His investment in quality was on target then, and it will pay off with a continuing focus, monitored management and marketing plans. You can't just drop out of the business when prices go up, or switch to a pounds-only approach — not when you're building a future for your family.

You aim for the *Certified Angus Beef*® (CAB®) brand target because it makes the most business sense. It is the logical premium target for high-percentage Angus cattle, selected and managed for excellence.

It's the same way for our licensed partners. Don't focus on them as "licensees" held to the fire by some legal contract, because it's not like that at all. They can walk away if they don't believe this thing we all share makes the most business sense for them and their families. Our common bond is the win-win-win nature of a program developed and proven to benefit everyone from the farm or ranch to the consumer.

That doesn't mean it's always easy. When the average price for all retail beef was more than \$6.11 per pound (lb.) in June, the 6,000 partners selling our brand at retail swallowed hard and ordered another 30-40 million lb. at a premium rate for the next summer month. They had to sell it for more than average prices of course, but they knew they could. Most of their customers know from experience: Now more than ever, it's worth a little extra to be sure of the quality.

Managing the risk

Marketing surveys provided that confidence. Less than two years ago, Ohio-based Firebox Research & Strategy found more than four out of five grocery shoppers will pay at least \$1 more per pound

to upgrade to the CAB brand — nearly half said they would pay \$2 more per pound. Plus, given a hypothetical \$20 for their next beef purchase, they picked CAB 2-to-1

over competing brands.

Still, there's more risk than ever. That's why CAB provides more marketing assistance than ever, in tune with the megatrends as reported by the annual "Power of Meat" survey from the North American Meat Institute and Food Marketing Institute.

More than 40 team members at CAB focus on providing the marketing support that includes sales strategies, consumer education, creative resources, public relations, culinary training, digital tools and point-of-sale (POS) displays.

All of those are important tools to keep selling the best beef at these prices, profitably, but the *Power of Meat 2014* report especially notes the rising importance of what happens in the store. Effective POS and even "theater" is required to draw the millennials, who often use their

smartphones to check on the latest flyers to choose their store.

At these prices, a significant number of beef purchases are said to be on impulse, because the price per pound may not get CAB steak on the shopping list. That's why more CAB retail partners are using POS and revamping their meat departments to allow for more interaction. Sending their managers to seminars at CAB's Education & Culinary Center and then passing

CAB licensed partners help drive demand.

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To order CAB merchandise, visit <http://pos.certifiedangusbeef.com>. For a source for recipe ideas, storage and handling tips, restaurant listings, retail store locations and cooking information, visit www.certifiedangusbeef.com.



it on with DVD-aided apprentice training in the store.

To fit the megatrend of consumers wanting to support local producers, CAB's Heritage Campaign explains the grassroots of this producer-owned brand that go back 40 years. Promotional items include rich on-farm photography with friendly producers in each state and region, featured in stores, on billboards, POS and every way ads can be used.

Other resources available for licensees include a photo library showing every fresh cut and every plated recipe imaginable, along with details for those recipes to help shoppers better enjoy their purchases.

As summer was getting under way, your partners in retail were gearing up for promotions like the Steaks of Summer and Thrill of the Grill. Now many of them are moving into fall promotions with tailgating themes like Get in the Game. All of these are complete strategies on which meat cuts to discount to entice shoppers, featuring POS, Internet and broadcast "theater," and in-store incentives for staff.

Strategies include complete business plans on how to fund "grill giveaways" in concert with our partners at Weber Grill, and there are dozens more examples where it is in the best interest of other companies to join in the fun and profit.

No cattlemen, retailers or restaurateurs pay anything to fund CAB, because the nonprofit program was set up to function solely from the support of its licensed packers, who pay a few pennies per pound. They gladly keep doing that because it's profitable for them and for their customers. Remember, win-win-win.

Cattle applications

One of the few requirements for retailers is to file regular reports with the brand, but that is not just so we can keep them honest or point out errors should they occur. Rather, those reports make possible the continual data analysis our technical experts conduct to help partners see what cuts are most profitable and which ones

are most popular in what season or region. We spot opportunities for partners whose past records indicate will need a load of primals in a couple of months but the market says now is the time to lock in that business.

You would do the same for a partner in the cattle business if you heard about a load of replacement heifers that fit his or her needs. From one end of the beef supply chain to the other, never have so many been so attuned to the future and how every link in the chain can work together to produce the beef

that satisfies the strongest consumer demand. Research proves that is the CAB brand, including its Prime and Natural extensions.

The reports, going back nearly 37 years now, indicate more than 10 billion pounds of branded product sold. Thanks to the ever-widening realization that the integrated, market-driven program works so well for everyone in the chain, annual

CAB sales will reach a billion pounds by the end of this decade.

At the meatcase, that means more satisfied consumers. On the ranch, that means more premiums paid from those consumer purchases, premiums that have already accumulated to half a billion dollars.

Weather will always be outside of your control. Drought may end in floods and

blizzards may ambush some herds from time to time. Yet when you look at the things you can control, the investment in registered-Angus genetics that keep this chain moving looks like a safe bet to ensure your future.



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

