

Sustainability

Beef's largest marketer asks producers to join in defining what sustainability means for the beef industry.

Story & photo by

KINDRA GORDON, *field editor*

McDonald's statistics are impressive. It has 34,000 restaurants and just reached the milestone of serving 70 million customers a day. The famous golden arches can be found in 119 countries — and in mid-February 2014 that will bump up to 120 with the addition of a restaurant in Vietnam. The company employs 1.8 million people, and it is the world's largest marketer of beef, purchasing 2% of the beef produced in the United States and around the world.

Of the company's more than 50-year uber-successful history, Bob Langert told Cattlemen's College® attendees, "If we didn't change, we'd be a withering and dying business. ... The customer is our primary business driver for McDonald's."

Langert has been with the food giant for 31 years and today serves the company as vice president of corporate social responsibility and sustainability. He told the more than 6,000 in attendance at the Cattlemen's College keynote address that what McDonald's and the beef industry have in common is a "commitment to

selling beef — great-tasting beef."

That said, Langert noted that customers have — and are — dramatically changing their food demands. One way McDonald's is addressing this is its announcement a month ago that it plans to start purchasing verified sustainable beef by 2016. They already purchase certified sustainable fish and coffee.

"This is not a do-gooder effort. This is a journey for good — together," Langert said of this most recent initiative focused on beef. "We feel with sustainability we can grow our business and, in turn, grow your business."

He admitted that the company does not currently have a detailed, defined plan of what sustainability means for the beef industry. He

emphasized that they recognize a sustainable supply chain includes the three Es — ethical, environmental and economical.

He encouraged the industry to be a partner — and leader — in helping create a sustainability definition and plan for the future.

"Let's take charge in defining what is sustainable beef — and not let activists do it," he emphasized.

Langert mentioned the Global Roundtable for Sustainable Beef as one



Ranch sustainability and beef sales

Steve Sands, vice president of protein for Performance Foodservice Group (PFG), shared how his company is working to link beef sales with sustainability efforts at the producer, feeder and packing sectors.

As a food distributor the company does \$14 billion in sales annually, Sands said. "We are on the front lines of customer response to the product. We have 1,600 salespeople who interface with restaurants every day."

About 62% of the products they distribute are national brands, but the progressive company has created several of its own house brands — from chemical cleaning products to food products — to fill voids in the market. These represent about 38% of the distributor's business.

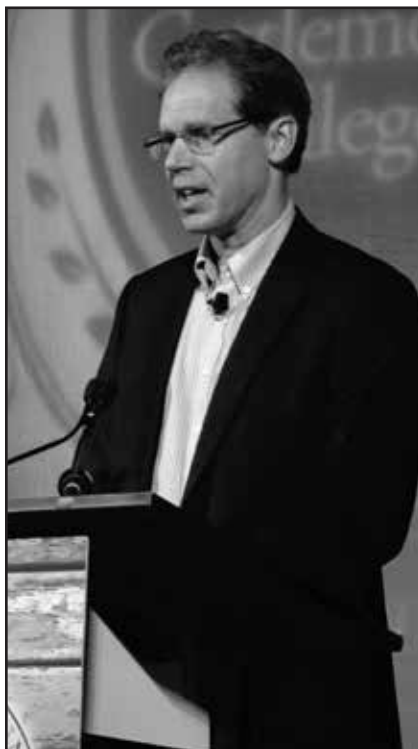
On the beef side, its Braveheart Angus Beef brand, which it began offering to customers five years ago, is the company's fastest-growing

brand. Sands reported that it is seeing double-digit growth despite the consumer trend toward consuming less beef.

"In my 30 years in the industry, I've never seen a more rapid migration away from beef on menus due to high prices," Sands said. It is primarily the mid-priced restaurants that are being affected. Fast-food beef restaurants and premium beef restaurants are still doing well, he added.

Sands said they developed the Braveheart brand to address some of the emerging issues of a need for smaller portions to fit a restaurant menu's price points, quality needs, and consumer interest in sustainability and transparency. It includes cattle specifications, such as DNAing every animal to verify genetics, as well as processing specifications, one of which is trimming more fat off of cuts at the

and the Future of Beef



To the producers in attendance, he said, “You might be sustainable, but you have to prove it and have evidence points. Telling stories and saying, ‘Trust us,’ isn’t enough. It’s about doing more.”

He concluded by noting that sustainability “is part of business” and said, “Let’s create this future together.”



Editor’s Note: This article is part of the Angus Journal’s online event coverage of the 2014 Cattle Industry Convention and NCBA Trade Show. You can view the Journal’s coverage in its entirety in the newsroom at www.4cattlemen.com.

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group they will look to heavily as they prepare to implement their new initiative for 2016.

As that future approaches, he emphasized, “Our pledge is to continue to collaborate, not mandate.”

plant so the customer isn’t paying freight for fat and gets a better yield.

The company is working with Zoetis on audit points for the Braveheart beef brand.

Because PFG also distributes pork and poultry to its clients, Sands said they intend to add a source-verified pork line next and are exploring a poultry line.

Of the future for the food business, Sands concluded, “We have to be very, very vigilant. We have to be transparent. That’s not going to change. We get more inquiries about animal handling than anything else. We have to do a much better job representing ourselves to the customer base.”

— by **Kindra Gordon**