



Movin' Forward

by **BRYCE SCHUMANN**, CEO, American Angus Association

Beyond the commodity trap

None of us could have anticipated the record-setting growth that the Certified Angus Beef® (CAB®) brand has experienced during the last seven years. In fact, when we closed the books on fiscal year (FY) 2013 at the end of September, it was clear that CAB would sell 865 million pounds (lb.) of product during the preceding 12 months — an increase of 54 million lb., or 6.7%.

FY 2013 also marked the first time in the brand's history in which sales exceeded 60 million lb. of product in every single month.

More at a premium

Those are some really big numbers, folks. If all of us continue to focus on quality — from the genetic selections we make to how we manage and market our cattle — every indication points to additional advances for our product in the marketplace.

Best of all, while we are selling more and more CAB brand, we are also selling it at a premium price when compared to commodity beef. That's

big news for the cattle industry, which has experienced a slow erosion in consumption and demand for much of the last three decades.

In other words, CAB is helping our industry break away from the old commodity trap, which often meant the more you produced, the lower the price would be. Indeed, CAB is helping the industry move beyond a commodity mind-set into an aggressive, consumer-oriented stance that builds sales and drives more dollars back to the land.

One other important point that deserves to be made: Research conducted by Certified Angus Beef LLC (CAB) showed 94% of consumers recognize the words "Certified Angus Beef," and 94% recognize the brand's logo. The recognition levels were more than double the closest other brands.

More importantly, most consumers said they would pay more for the brand's quality — at least \$1 per pound at retail and \$3 more per menu item in restaurants.

While I recognize the cattle business has faced its share of challenges in

recent years, we also have to take stock in the good things about our business from time to time.

The CAB brand has become the model for growing our business. It's also one of the most highly recognized food brands in the world.

How many pork, chicken, turkey or even beef producers in this country would trade their position with ours? How many of them would want our brand recognition among consumers? How many would want a quality position like ours that drives more dollars back to their businesses?

I'm guessing that most of them would, because CAB represents the quintessential great eating experience, and it also means added value for everyone involved in producing it.

We should be proud of that fact, because the brand belongs to all of you, the members of the American Angus Association.



In fiscal year 2013, Certified Angus Beef LLC sold a record 865 million pounds of branded beef.

AMERICAN ANGUS ASSOCIATION®

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