

# SUPPLY DEVELOPMENT FACTS

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## A Promise of Quality

The *Certified Angus Beef*® (CAB) brand offers the taste experience that built consumer demand when commodity beef was losing out to poultry and pork. Our science-based specifications deliver flavor, juiciness and tenderness. Only 8 percent of all fed cattle meet the brand's standards.

## What are the *Certified Angus Beef*® brand specifications?

### Step 1 – Live Animal Identification

- Phenotypic: Predominantly (51%) solid black hair coat OR
- Genotypic: AngusSource® program enrollment

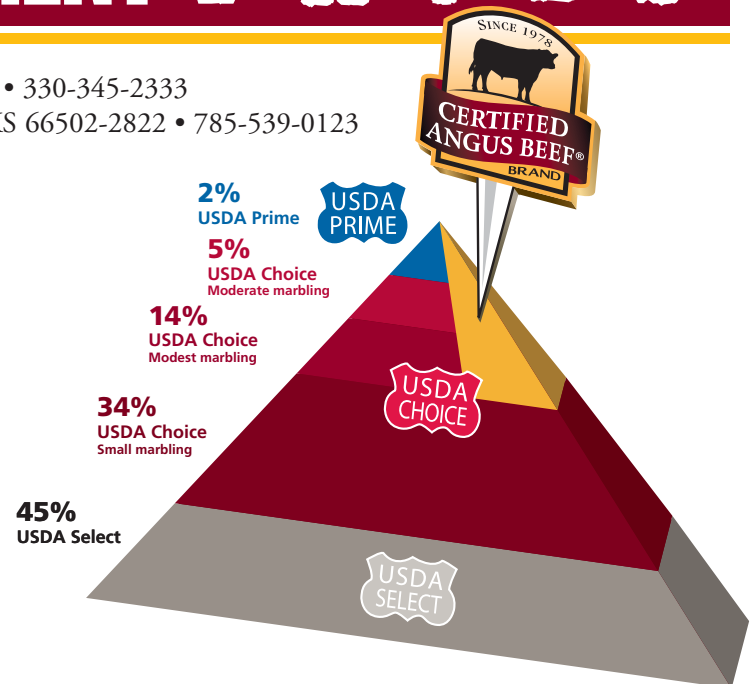
AngusSource® documents source and group age while ensuring cattle have a minimum of 50% Angus genetics. Eligible cattle must be sired by a registered Angus bull and enrolled by ranch of origin with birth date for the oldest calf in the group. Visit [www.angussource.com](http://www.angussource.com) for more information.

### Step 2 – Carcass Specifications

1. Modest or higher marbling
2. Medium or fine marbling texture
3. "A" maturity for each, lean and skeletal characteristics
4. 10 to 16 square inch ribeye area
5. Less than 1,000 pound hot carcass weight
6. Less than 1 inch fat thickness
7. Superior muscling (eliminates dairy influence)
8. Practically free of capillary rupture
9. No dark cutters
10. No neck hump exceeding 2 inches

### How are producers paid?

Market demand pays direct premiums to producers who sell finished cattle on value grids, at rates that have grown to more than \$5 per hundredweight (cwt.) of carcass.



- Certified Angus Beef LLC (CAB) does not own cattle or product. We are a nonprofit, limited liability company that owns only our trademarks that are used by licensed retailers, foodservice distributors, restaurants and international distributors to market the brand to consumers.
- Supply development efforts focus on researching genetic and management practices that influence the brand's supply, communicating those practices and coordinating relationships for information exchange.
- No cow-calf producers are licensed, and no cattle herds are certified.
- Licensed feedlots help Angus producers get the most out of their high quality cattle through focused management.
- Licensed packers identify Angus-influenced cattle for U.S. Department of Agriculture (USDA)\* evaluation and certification. Licensed fabricators prepare product for distribution to retail, foodservice and international licensees.
- The CAB brand is the leader in fresh beef, accounting for 86% of USDA certified Modest+ Angus brands.
- CAB tracks every pound of beef from initial identification through sales to consumers, ensuring they get genuine CAB products.
- Since 2000, more than half a billion pounds of CAB products have been sold annually.

\* In Canada, the standards are evaluated and monitored by the Canadian Beef Grading Agency.

## How is the company funded?

The only funding received by CAB is from licensed packers and processors, which pay approximately 2 cents per pound sold. With more than half a billion pounds sold annually, the budget amounts to about \$10 million applied to various marketing efforts that increase pull-through demand for the brand and ultimately return premiums to producers of high quality Angus cattle.

## How is CAB linked to the American Angus Association?

We are a wholly owned subsidiary of the Association. The nine-member CAB Board of Directors consists of the Association's executive vice president and six members of its board. Thus, we maintain a very strong working relationship with the Association and its other subsidiary, Angus Productions, Inc.

**Our Mission:** Increase demand for registered Angus cattle through a specification-based, branded beef program to identify consistent, high quality beef with superior taste.

## How big is the *Certified Angus Beef*® brand?

Considerably bigger than most people realize. More than 13,000 businesses market the brand in more than 30 countries. About 1.6 million pounds are sold daily through foodservice and grocery channels, generating an estimated \$2.5 billion in consumer sales annually. To meet this demand, more than 2 million cattle must meet CAB standards.

## When I see the word *Angus* used at restaurants or retail stores, does that mean it is the *Certified Angus Beef*® brand?

Not unless you see the distinctive *Certified Angus Beef*® logo. Since its origin in 1978, our company has established an extremely positive reputation for the brand. Subsequently, this has led to imitators in other Angus programs. Many have specifications below our “modest or higher” marbling level, and most do not

monitor product use and promotion in restaurants and grocery stores as we do. Unfortunately, the growing number of Angus brands creates confusion among consumers and producers alike.

## Will you certify my cowherd?

No live animals are certified. The CAB brand goes on in the packinghouse cooler, and only on cattle that meet the live and carcass specifications. There is licensing in the production sector only in feedlots. A set of guidelines has been developed for us to partner with these licensees genuinely interested in either buying Angus and Angus-influenced calves or creating a partnership with the producer. There are more than 60 licensed feedlots. Any feedlot, regardless of license, may supply cattle to CAB-licensed packers.

## How do I market CAB cattle? Does the program buy cattle? Does it cost to be able to sell to licensed CAB packers?

CAB doesn't buy cattle; its licensed packers do, in all the ways packers can buy finished cattle. CAB serves to build demand for your cattle, but cannot get involved in actually marketing them. Thanks to nearly 30 years in building demand, packers have paid producers more than \$200 million in premiums for cattle that have met brand requirements since 1998.

## How do I acquire “CAB-quality” cattle?

A variety of herd management strategies can be modified to increase the number of cattle meeting CAB specifications. The most effective way to improve the quality of your herd can be through selecting Angus genetics that are capable of achieving higher quality grades. Eighty-five percent of cattle that fail to meet the brand's requirements lack sufficient marbling.

Look at individual performance and carcass records associated with cattle before buying. Utilize the American Angus Association database, visit [www.angus.org](http://www.angus.org) or call 816-383-5100.

## **I use registered Angus bulls, so why don't I receive a CAB premium for my calves?**

You do, as shown by research from universities and Cattle-Fax, as well as the CAB-funded auction market study, "Here's the Premium." Demand for the CAB brand translates into fed cattle premiums of \$5 per cwt. of carcass, and that same premium is typically passed back to the live Angus calf, compared to non-Angus, at auction.

That's a big premium considering how little is known about the potential of most Angus-influenced calves to achieve CAB certification at harvest. AngusSource® is the latest opportunity to add value to your calves and mark them as good prospects for above-average CAB acceptance.

## **Do calves have to be 100% Angus to qualify?**

No, just Angus influenced. The criteria used to determine eligibility at packing plants is at least 51% black-hided or AngusSource® enrolled. Carcasses from Angus-influenced cattle are evaluated for the ten specifications that guarantee the consumer a pleasurable eating experience. Only about 1 in 5 Angus-influenced cattle meet the brand's standards.

## **Does CAB offer a program for my natural cattle?**

In 2004, CAB launched a brand extension – CAB brand Natural. To be in the natural program cattle have to meet the same ten carcass specifications as the brand. Plus, producers must sign an affidavit saying that their cattle never received antibiotics (fed or injected), hormones or animal byproducts. For more information contact Mark McCully, Supply Development Director, at 800-225-2333.

## **As a commercial cow-calf producer, how can I become involved?**

Participating in the CAB program is easy:

1. Talk to your potential partners in seedstock, commercial and feedlot businesses.
2. Work together to discover current herd genetics and performance benchmarks.
3. Coordinate health and management at every step to maximize genetic potential.
4. Don't compromise long-term quality potential for short-term interests.
5. Market cattle in ways that capture value and reward quality.
6. Use information feedback to...
  - a. cull from the bottom end.
  - b. choose balanced-trait bulls that complement herd needs.
  - c. adjust management from ranch to rail.
7. Chart your progress in generating still more demand for your cattle.

Visit [CABpartners.com](http://CABpartners.com) for more information on managing cattle to the CAB target.

## **Questions?**

**Call Steve Suther at 877-241-0717.**

