



*Choose a target,
then aim to please*

If you raise a few cattle to fatten, harvest at the locker and sell freezer beef, you know exactly how important the consumer is. Those beef purchases are the only way you get paid. Too bad it's so easy for the other 99% of us to forget the same thing is true for all who sell cattle or beef.

Selling weaned calves, or buying and then reselling cattle to other players in the segmented beef industry, we can lose sight of the goal that keeps new money coming in: pleasing consumers with flavorful, consistently tender beef.

Not all consumers prefer the same kind of beef, but it's safe to say none prefer tough or dry, easy-to-ruin cuts. Are you certain that all of your calves meet some consumer preference? Now's the time to find out, because the age of averages is giving way to the age of the individual.

If Freddie Freezer raises four steers and one of them fails to please consumers, his reputation's shot, even though most of the beef he sold hit the target. It's just as hard to maintain the recovery in consumer demand for all beef if producers take no action in the face of evidence that one in four Select grade steaks is unsatisfactory.

The product side of the beef industry has taken action to begin sorting carcasses for different markets after harvest. Technology is emerging that will help eliminate toughness, but that's only part of the flavor picture. Nebraska research shows consumers

find significant differences in beef with constant tenderness but varied marbling. No technology will add marbling to a beef carcass—that requires advance planning.

Don't bet your future on the industry's ability to make consumers happy by technology alone or by sorting average boxes of beef, unless that average gets a lot better. Also keep in mind that if post-harvest segments of the beef industry add all the value in sorting to targets, they will extract all the added payment for doing so.

Take charge of your future by discovering exactly what quality of beef your cows produce, what market target that most closely fits, and how you can hit the bull's eye. Currently, most of the value-based premiums are associated with higher marbling cattle, but there are some that seek more muscle and less marbling.

Think about your customers and where they buy. About half of all U.S. beef sells through retail stores and most of the rest sells by virtue of being chosen from a restaurant menu. At the packer level, these customer demands are best met by achieving a balance of 70% Choice or higher quality grade and 70% yield grade 1 and 2 with no misfits.

Harlan Ritchie, distinguished Michigan State University animal science professor, has noted four primary targets for U.S. beef, all requiring “acceptable tenderness:”

- Mid-Choice or higher grade, with a maximum yield grade of 3.9, for upscale domestic trade and export. Expected to make up 25%-30% of the market.
- High Select to low Choice, maximum yield grade of 2.9, for supermarkets and mid-scale restaurants. Expected to be 50% to 55% of the market.
- Young, extremely lean, high yielding beef could make up 15%-20% of the market.

- Other niche products will encompass 5%-10% of the market.

Your information goal is to find out which beef target is best suited to your resources and will best reward your efforts. Once you decide that, you can take steps toward greater uniformity within that beef type, to increase your overall reward.

In the next edition of Black Ink, we'll examine ways to get paid for hitting those targets. If you want to talk about anything related to profitable, high quality beef production, call me toll-free at 877-241-0717.

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