



CAB Corner on Quality
(graphic file logo for heading
available on request)

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CAB: Momentum at 25

By CAB Marketing and Industry Information Staff

October marked the 25th anniversary of the *Certified Angus Beef*[®] brand's first sale. Through your support, we have been satisfying consumer demand for great-tasting beef ever since. Accumulated sales are nearing 5 billion pounds, and growing demand continues to drive value for Angus genetics.

In 2003 alone the brand added hundreds of dollars to Angus bull values and at least \$50 million to the value of commercial fed Angus cattle.

"The premiums paid to producers, from commercial fed cattle to seedstock, are the result of CAB staff and the licensee network creating pull-through demand," says Jim Riemann, president of Certified Angus Beef LLC (CAB). "That is the basis on which we were founded. It will continue to be the focus for at least the next 25 years, so that everyone finds more profit in producing and selling the brand."

It is interesting to note the momentum now working for Angus producers: 11,500 licensees worldwide selling about 600 million pounds of Certified Angus Beef products annually—by far the leading brand of beef worldwide.

About 17.5 million cattle accepted since the beginning in 1978, 17.5% acceptance rate on nearly 100 million Angus-type cattle identified over those years.

This program is not funded by producers, but by packers because it makes them money. They have invested a cumulative total of about \$275 million in CAB -- \$175 million in payments to producers of CAB-accepted cattle on value-based grids, and \$100 million to the CAB program on sales of more than 4.7 billion pounds since 1978.

And our CAB licensed restaurants have used more than 50 million of those little steak picks that identify the servings.

We are growing at an annual rate of about 8%, and have reached something of a critical mass. At this scale and size, we can make a lot more good things happen for Angus producers.

A 1 percentage-point increase in CAB acceptance (17.4 to 18.4%) can deliver 35 million more pounds sold, and bring in an extra \$700,000 to further build demand for high quality Angus cattle.

CAB leads the industry in the percentage of each accepted side of beef that our licensees are able to sell as the brand. If we can use another 10 lb. of each side as CAB, we'll add 45 million lb., and another \$1 million for the program. And we could achieve both, along with the trendline of 4.3% more eligible cattle each year.

Early on, Angus producers used to ask why CAB didn't try to pay them directly—here's why: By reinvesting dollars in the Program, we have been able to leverage \$5/head in fees from licensed packers into more than \$40/head premium that those CAB licensed packers pay to the producers of Angus cattle accepted for the brand. And if we didn't invest in building demand, there wouldn't be a Program and no one would have heard of *Certified Angus Beef*[®] today.

Consumers worldwide spent \$2.3 billion to purchase Certified Angus Beef brand products in restaurants and at retail in 2003, and will spend about \$2.5 billion next year.

“There is a serious need to identify Angus cattle that produce high quality carcasses while still being efficient and productive on ranches and in feedlots,” says Riemann. “The more we do to identify those genetic strains of cattle that have positive, balanced traits, the more we can differentiate the ideal population of Angus and Angus type cattle.”

CAB offers one of the nation's most reliable sources for collecting carcass data, the doorway to many opportunities:

You can obtain [free carcass data](#). A new cost-subsidy program offers free data collection to producers and CAB feedlots that provide specific information on groups of enrolled cattle. For information and requirements, contact Paul Dykstra at 785/539-0123

The **National Angus Carcass Challenge** (NACC) recognizes cow-calf producers for having the highest valued group of known Angus-sired cattle fed at a CAB-licensed feedlot. Winners for 2003 will be announced Jan. 17, 2004, at the National Western Stock Show in Denver. Entries for the 2004 challenge are being accepted NOW. For details, contact any CAB-licensed feedlot or Rod Schoenbine at 330/345-2333.

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