



CAB Corner on Quality
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Why cattle don't make the grade

By Larry Corah, CAB Vice President

With so many factors lined up to reduce marbling in cattle today, its no wonder the beef industry struggles to maintain 55% USDA Choice grade. Acceptance levels in cattle identified for the *Certified Angus Beef*[®] (CAB[®]) brand languish in the 14% to 15% area.

That's a problem, because consumers prove every day they will pay more for beef with higher marbling. When we don't produce it, we leave profit opportunities on the table. We can produce what the consumer wants, if we understand why we are missing the target.

USDA quality grades are in a long-term decline, with the related drop in consumer demand only reversed by the influence of premium brands and new products in the past eight years. Higher quality helped support record high beef prices; despite those records for all beef, consumers paid still more for a better flavor profile.

It showed first in the dramatic spread between Choice and Select wholesale beef values. In the early 1980s, that was typically \$3 to \$4 per hundredweight (cwt.), but increased to \$7/cwt. in the '90s, and averaged near \$10/cwt. for 2004-05. The added CAB premium over Choice typically ranges from \$6/cwt. to \$10/cwt.

Today, the spread between a Select and CAB qualifying carcass of the same weight is \$150 to \$200, and as more finished cattle sell on grids, the economic importance of quality grade grows. So, why the downward trend? The growing complexity of the beef industry distorts market signals and creates management challenges.

Beef quality grade is determined by the amount of marbling, the flecks of intramuscular fat that give beef its flavor and juiciness. Government graders call any of 10 marbling scores in increments of 10, such as Small 80, Small 90, then Modest 0, Modest 10 and so on—essentially a 1,000-point scale. Just a thousandth of this scale can mean the difference between Choice and Select, or CAB and Choice.

Moreover, a 2004 CAB packer study showed 12% of graded cattle had marbling scores that only ranged 2% on either side of the Choice-Select line. Cattle feeders often miss another chance to navigate the grading line when they market cattle without accurate sorting for backfat thickness. Millions of cattle could earn a premium, or drop out of that bonus circle with only minor changes in management, nutrition, health or genetics.

Feedlot-cattle health problems have been on the rise nationwide, due in part to younger calves on feed. What's in the bunk could be another problem. The ethanol industry now uses one-sixth of the nation's corn

crop, and its byproducts are finding their way into more feedlot rations. Neither those feeds nor the steam-flaked grains popular at large feedlots are known for enhancing quality grade.

Marbling begins early in a calf's life, so creep feeding, weaning, delayed implanting and proactive health management all contribute to the subsequent quality grade and level of CAB acceptance.

For a detailed summary of these ideas, read, "Declining Quality Grades: A Review of Factors Reducing Marbling Deposition in Beef Cattle," by Larry Corah and Mark McCully, available through the authors at 785-539-0123, or 330-345-2333, or on the Web at <http://www.CABpartners.com/news/research>.

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