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‘Think Tank’ looks at beef consumer priorities

A beef industry group met in Denver, Colo., last month to find ways to better link producers to consumers. Consumer First Beef Partners™ brought leaders together Sept. 18-19 for a round-table discussion on beef quality issues.

By identifying obstacles to consumer satisfaction, the leaders from each segment of the beef supply chain aim to help producers focus.

Although financial and business concerns were apparent across the U.S. economy, one opening comment provided context: “This is about growing beef demand. We are not in a crisis situation, but have a great opportunity to move from an already strong position.”

The partners, a consortium of Certified Angus Beef LLC (CAB), Pfizer Animal Health, Land O’ Lakes Purina Feed LLC and *Drovers*/food360, joined forces last February to build bridges between consumers and beef producers.

Participants included Daryl Tatum, Colorado State University (CSU) meat scientist who presented opening and closing remarks; and Randy Blach, CattleFax CEO, who presented market dynamics and moderated the discussion.

Joining in the “Think Tank” were Jim McAdams, Texas rancher and former president of the National Cattlemen’s Beef Association (NCBA); Andy Malcolm, 30-year foodservice industry veteran and vice president of SYSCO Corp.; Mike John, manager of MFA Health Track Beef Alliance and former NCBA president; Charlie Mostek, senior vice president of foodservice sales for Tyson Foods; Dan Murphy, food-industry marketing consultant and author of “The Meat of the Matter;” and Mike Thoren, CEO of Five Rivers Cattle Feeding. David Kent, coordinator of meat procurement for Kroger Co., was unable to attend due to storm damage to company stores.

Noting that quality can only be assessed by consumer-paid premiums, the group outlined several areas that need attention. Post-harvest practices from electrical carcass stimulation to aging further enhance tenderness, but cattle producers can affect other aspects of beef quality.

“It takes only a slight check on marbling to result in a loss of value to consumers,” Tatum said. For example, at one plant, a one-week setback of just 30 marbling points

(1,000-point scale) reduced the USDA Choice and Prime share of harvested cattle from 64% to 49%.

Blach noted great volatility in the market, increasing costs economic uncertainty. In 2008, U.S. consumers purchased 609 million pounds less than last year, but per-capita spending for beef is up. Retail prices next year could average more than \$4/lb. Much depends on the global market, where U.S. beef production can grow to as much as a 20% export market share if producers hit the quality target most in demand.

Putting Consumers First

The group laid out priorities for a consumer-focused beef industry:

- Enhance carcass utilization and product diversification by adding more value to currently underutilized cuts.
- Foster supply chain alignment, from the seedstock and cow-calf through stocker and feedlot operators, packers, purveyors, retail and foodservice segments.
- Identify ways to clarify value communication and other market signals through the better-aligned supply chains.
- Deliver on beef's promise of taste and value, thus earning consumer trust.
- Position and market beef to take advantage of U.S. and global consumer demographic opportunities.
- Identify and promote technologies and processes that add value to consumers while rewarding the supply chains.
- Limit to strategic use those technologies and practices for short-term gain that detract from consumer demand for beef.
- In the face of rising capital requirements, explore cattle financing innovations in aligned supply chains.
- Maintain focus on production and marketing efficiency in all segments of the supply chains.

In summary remarks, Tatum said each participant in the beef supply chain must “keep your eye on the goal” that is consumer demand. To better focus on that target, he said the industry needs more consumer research based on behavior rather than simply opinions.

Consumer First Beef Partners measures its success in long-term profitability and sustainability for U.S. beef producers. For an executive summary of the September meeting, and research papers related to beef quality, visit <http://www.cabpartners.com/news/research/CFBPExecutiveSummaryFinal.pdf>

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