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**NEWS**

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Photo of panelists: [http://www.cabpartners.com/news/photos/2008\\_04\\_04\\_cannell\\_hussman\\_benes.jpg](http://www.cabpartners.com/news/photos/2008_04_04_cannell_hussman_benes.jpg)

## The foodservice consumers' beef

A panel of foodservice experts recently agreed beef consumers want quality. That includes everything from meals to service to psychological impact. "Beef's Steak in Foodservice" was part of the Pfizer-sponsored Cattleman's College at the February beef industry meetings in Reno, Nev.

As Jane Gibson, a National Cattleman's Beef Association (NCBA) director, noted, "Foodservice is all food prepared away from home—takeout, dine-in or home delivery." The category accounted for more than \$8 billion in beef purchases last year, growing by more than 5%.

"It's really the entertainment business," said Tim Hussman, president of Newport Meat Company, Irvine, Calif. Beef is second to chicken on America's restaurant menus, and in fact, "competition is fierce from other proteins," he said. Beef must make the most of its competitive edge, and its quality must satisfy those seeking entertainment.

At McDonald's, quality begins with a friendly greeting. Company research confirms a link between that first impression and overall eating experience, said Rob Cannell, a McDonald's supply chain director. "Our customers are interested in a healthy lifestyle," he said, "and it's more than portion size and selection. They want to know what's going into the food and where it comes from, and they don't want to feel guilty about that—they just want to enjoy their meal."

Alex Benes, partner in the Los Angeles-based Wood Ranch BBQ & Grill chain, agrees that perceptions are exerting more and more influence over consumers. "We love beef. More specifically, we love American beef. And even more specifically, we love Certified Angus Beef (CAB)," he said. The CAB-licensed restaurant is a customer of Hussman's CAB-licensed distribution company, and the session was moderated by Tracey Erickson, CAB vice president.

The tri-tip roast and ribeye are two Benes favorites, and signature cuts at Wood Ranch. Still, Benes told of having to tone down the bright red color in a CAB product advertisement to avoid negative impressions from consumers who don't want to think about rare steak. "We made the red a little less realistic," he said. "We have even wondered about the CAB logo having a steer on it, because people make the obvious connection to the animal."

What is the consuming world coming to?

“Information technology is changing the world,” Cannell said. “Twenty years ago, the fax was a miracle. Now I get 120 emails a day, and customers get and send messages while they are in line to order. They are inundated with information, and a lot of it is worrisome because a lot of people are trying to tell stories about our food.”

He showed a slide of an Angus calf with a bright, clear identification ear tag. “I see this as a nice example of a black calf. Others may see that it is source-verified,” Cannell said. “Others may say that it is too cute to eat.”

Because consumers are “so far removed from what you do, they don’t understand,” and anti-meat or Japanese beef interests can take advantage of that to “educate” them, he said. “You have to re-educate them or deal with their perceptions. Those are not always science based, but that doesn’t matter.”

Surveys show that 70% to 85% of consumers are not comfortable with the idea of cloned beef in the food chain, an issue Cannell said will grow over the next decade. He also noted the McDonald’s cannot afford to adopt irradiation to kill e. coli bacteria in ground beef because surveys show 10% of consumers would not accept it.

Hussman agreed that the public is increasingly removed from beef production. “That can lead to mistrust,” he said. “The public is smarter than ever, and they are asking very specific and difficult questions. Some are even asking about food miles and carbon footprints. Maybe they are on the fringe, but they could also be the start of a trend.”

In response to questions, the panelists suggested ranchers make personal efforts to connect with chefs. Cannell said consumers need to see positive stories about beef. “The way to do that is to put a producer face with the story,” he said.

“Many chefs think beef is all about the packer,” Hussman said. “It will take more than articles to reach them—I can give you addresses for the three top chefs in L.A., and you could put them on your Christmas card list. It needs to be that personal.”

Benes agreed: “It has to come from the heart. It has to be honest.”

Technology must be weighed carefully. “Some stories can’t be told after the fact,” Cannell said. “If we know something is safe, helpful to production and scientifically proven, we also need to do some social research,” he said. “How can this be perceived? How can it be twisted by other groups who would tell our story for us?”

Hussman, lamenting the trend to ever-heavier carcasses, also said the industry should think twice about technologies to make them still heavier at the expense of quality.

“If you don’t know about beta-agonists, you should try to understand them, because our customers are asking about them with concern,” he said. “I understand the economics, but I propose there are other issues that need to be considered.”

With a 40% menu-cost increase in one year, restaurateurs have economic issues as well. They don’t need \$20 rib steaks from 950-pound carcasses, Hussman said. “The rib steak from a 750-pound CAB carcass will cost them \$16, with a more reasonable 20% less plate coverage.”

Newport tries to mute the 50% yearly swing in beef prices for its customers, he said, but that can be a challenge. “It’s easier to run our business with a shrinking supply of beef in general than it is with a shrinking supply of high-quality beef. We actually have customers looking outside the U.S. for beef, and that’s sad because we are the best at producing high quality beef.”

Noting, “Quality beef begins on the ranch,” Hussman encouraged producers: “Find out where your cattle are going. Make or build those relationships and communicate to make beef better for everyone.”

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