



QUALITY TIME™

News and Features for Farm Broadcasters from Certified Angus Beef LLC

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60-second radio spot

The Economics of Beef Quality

Economists say the cattle price cycle has entered a five-year downtrend. But higher quality should hold on to more value.

For those who finish the better cattle, Iowa Beef Center Director John Lawrence suggests grid marketing. He notes premiums for Choice and Prime have increased over the past five years.

The Choice-Select spread can reach 20 dollars per hundredweight of beef during peak demand periods such as summer grilling. Consumers will pay more for a good eating experience.

Certified Angus Beef's Larry Corah explains the market math: Demand for Prime and Choice beef outweighs supply by 20 percent.

Most Midwestern cattle can hit the quality grid targets. Corah says producers should take advantage of their good herd genetics and ready access to grain.

Actuality, Corah (:24): "A lot of cattle don't live up to their potential, because we manage quality out of animals. Stress at weaning, poor health programs, aggressive implanting—all of these can set back quality grade. A few management changes can pay in grid premiums."

(LINK: http://www.cabpartners.com/news/radio/corah_qt1.mp3)

Q: ... changes can pay in grid premiums.

30-second radio spot (no actuality)

Selling finished cattle on a quality grid can boost producer profits.

South Dakota State University's Kelly Bruns says cattle at the top end of a value grid can earn 240 dollars more than cattle at the bottom.

Quality grade makes the big difference.

Certified Angus Beef's Larry Corah says demand for Prime and Choice beef outweighs supply by 20 percent. That's why prices will remain higher for the best cattle.

Corah says quality grids vary, but offer the greatest rewards during peak demand seasons ... summer grilling and before holidays.

LONGER FEATURE WITH SOUNDBITE

316-word (2+ minutes) radio story

Economists say the cattle price cycle has entered a five-year downtrend. But higher quality cattle should hold on to more of their value.

For those who finish the better cattle, Iowa Beef Center Director John Lawrence suggests grid marketing. He notes premiums for Choice and Prime have increased over the past five years. The Choice/Select spread has doubled since 1990, now exceeding 20 dollars per hundredweight of beef during peak demand periods. Those include summer grilling and right before the holidays.

The Extension livestock economist says consumers are willing to pay for good eating experiences.

Certified Angus Beef's Larry Corah explains the market math: Demand for Prime and Choice meat outweighs supply by nearly 20 percent.

"There's tremendous consumer demand for higher-quality beef, and that has the potential to grow."

The C-A-B vice president says most Midwestern cattle can hit these quality targets if producers take advantage of their herd genetics and access to grain feed.

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Lawrence says that's especially important as producers look to the future. "They tend to get comfortable when prices are relatively high," he says, "but cattle prices are decreasing in response to the industry's expansion phase. Capturing added value will become increasingly important in the next few years."

He suggests producers start by matching their cattle with specific grid markets and seasonal demand.

Corah and Lawrence say producers can achieve high quality grades without sacrificing growth, yield or cow function. It's just a matter of balanced selection, management and marketing finished animals at the right time.