



Quality TimeTM

Quality news and features for farm broadcasters from Certified Angus Beef LLC
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Vol. 4, No. 4

March 23, 2008

Commodity beef hit harder by economic downturn

30 second story

Consumer beef buying remains steady to strong. Utah State University economist Dillon Feuz (FAZE) explains:

Actuality, Feuz: 11: “So total beef consumption hasn’t changed, but what they’re buying has. Retailers are having to bump up lower priced cuts a little bit.”

(LINK: http://www.cabpartners.com/news/radio/feuz_economy_qt4_4_1.mp3)

Q: ...cuts a little.”

The demand for middle meats has softened, but grinds and cuts from the chuck and round have grown in popularity, he says.

At the same time, consumer dollars keep voicing a preference for high quality, across all cuts.

That has bolstered the Certified Angus Beef brand, which set a record for the largest January sales in its history at 54 million pounds, and helped put the company’s business up 2% for its fiscal year that began in October.

60-second story

Consumer beef buying remains steady to strong.

Market analyst Dillon Feuz (FAZE) says consumers have simply shifted what they’re buying.

The demand for middle meats like the ribeye and loin has softened, but grinds and cuts from the chuck and round have grown in popularity, says the Utah State University economist.

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That has bolstered the Certified Angus Beef brand, which set a record for the largest January sales in its history at 54 million pounds. The tenth-largest sales month ever helped put the company’s business up 2% for its fiscal year that began in October.

This has some producers wondering why the Choice/Select spread has been so weak, Feuz says.

Feuz: 22: “So total beef consumption hasn’t changed, but what they’re buying has. And so then to try to move the product, retailers are having to bump up the lower priced products a little bit and they’re having to cut back on the middle meat cuts.”

(LINK: http://www.cabpartners.com/news/radio/feuz_economy_qt4_4_2.mp3)

Q: ...middle meat cuts.”

That spread is primarily based on the historically higher-valued portions of the carcass, he explains.

359-word story

Even in this economy the beef industry has its bright spots. Consumer beef buying remains steady to strong.

Market analyst Dillon Feuz (FAZE) says consumers have simply shifted which cuts they're buying. The demand for middle meats like the ribeye and loin has softened, but grinds and cuts from the chuck and round have grown in popularity, says the Utah State University economist.

At the same time, consumer dollars keep voicing a preference for high quality, across all cuts.

That has bolstered the Certified Angus Beef brand, which set a record for the largest January sales in its history at 54 million pounds. The tenth-largest sales month ever helped put the company's business up 2% for its fiscal year that began in October. That's over the previous – record sales – year.

This has some producers wondering why the Choice/Select spread has been so weak, Feuz says.

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Q: ...middle meat cuts.”

That spread is primarily based on the historically higher-valued portions of the carcass, he explains.

Feuz credits the brand's recent success to good carcass utilization and offering many cuts at various price points.

Feuz: 21: “That still gives consumers the opportunity to basically stay loyal to a brand that they've come to respect and view as higher quality. I think CAB may come through this at the end with a greater market share and then as things start to turn around be in a real good position.”

(LINK: http://www.cabpartners.com/news/radio/feuz_economy_qt4_4_3.mp3)

Q: ...real good position.”

He notes that the entire beef industry went into this recession stronger than other agriculture sectors due to factors like reduced cow numbers.

Feuz: 18: “The beef industry is really in a good shape on the supply side. As soon as things stabilize, then I think beef will be primed to respond much more favorably when things start back up than some of the other industries.”

(LINK: http://www.cabpartners.com/news/radio/feuz_economy_qt4_4_4.mp3)

Q: ...the other industries.”

As consumers gain confidence, this should bode for all cattlemen. Those who have maintained their focus on quality should be rewarded by stronger premiums for those animals.

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