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PHOTOS: <http://www.cabpartners.com/news/photos/Mark-McCully.jpg>
<http://www.cabpartners.com/news/photos/carcass-beef.jpg>
<http://www.cabpartners.com/news/photos/feedlot-cattle.jpg>
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Big deal

Could beef carcass size, trending higher for decades, reach a plateau?

By Steve Suther

Cattle feeders try to get the most value from each pen, drawing on what they know of genetic potential and background, with an eye on the markets. All of that led to steer weights advancing 330 pounds in the 40 years since the *Certified Angus Beef*[®] (CAB[®]) brand was born.

The trend is at a lull, but it's expected to resume at least for a while in this industry where all segments are paid by the pound, says Mark McCully, CAB vice president of production. However, he notes several factors that could finally stabilize size.

First explaining the drivers, McCully says the rising price of beef in comparison to corn underlies the trend. Even when corn was at \$7 per bushel, carcass weights did not falter.

“That’s because beef kept pace and the value of incremental gain was still supported,” he says, “especially on grids that rewarded the shift toward much better quality grades. Grid selling also had feeders looking at the cost of carcass gain rather than live-weight gain [see graphs].”

Moreover, while cattle prices were on the rise, the increasing cost of feeder cattle encouraged feedyards to put more weight on what they had rather than rush to market and pay more and more for new placements.

“There was virtually nothing working against the trend toward heavier weights,” McCully says. The first distant sound of jake brakes can now be heard.



Cow weights have risen more than steer weights in the last 20 years, and forage costs more than corn. The combination has ranchers redoubling efforts to curtail mature size through selection and heifer management.

“Corn is relatively cheap now, but that could change,” McCully says. “If the cost of a pound of gain moves beyond the value of that pound, we’d have downward pressure on weights. There’d be pressure to ramp up growth technologies as well, and a premium on ‘bulletproof’ genetics that grade with fewer days on feed.”

Genetics have certainly improved, enabling cattle to marble well with less waste fat and at lighter weights, but Choice premiums are only paid on those above plant average. That still encourages feeding known genetics a bit longer for CAB and Prime premiums, paid on each head.

“We’ve always had the assumption that you have to feed to heavier weights to get cattle to grade, but that’s not a super-strong correlation, especially on average cattle as they get heavier,” McCully says. “You need to feed them to six tenths of an inch of back fat, but the data do not support feeding them to 0.8 or 0.9 inches. You reach diminishing returns.”

In 2016, an analysis of data on 850,000 Angus-type carcasses at CAB-licensed plants found marbling in 1,000-lb. carcasses was only slightly greater than in 900-lb. carcasses while back fat increased at a greater rate.

Carcass size may be reaching practical limits within processing and distribution as rail height above the floor cannot easily be changed, and boxes of beef weighing more than 100 lb. make safe handling a challenge, McCully says.

Many formerly underutilized beef cuts benefit from larger size, such as the flat iron and Denver steaks from the chuck. The popular ribeye is most negatively affected, partly because of a tendency to cut the steaks ever thinner rather than innovate.

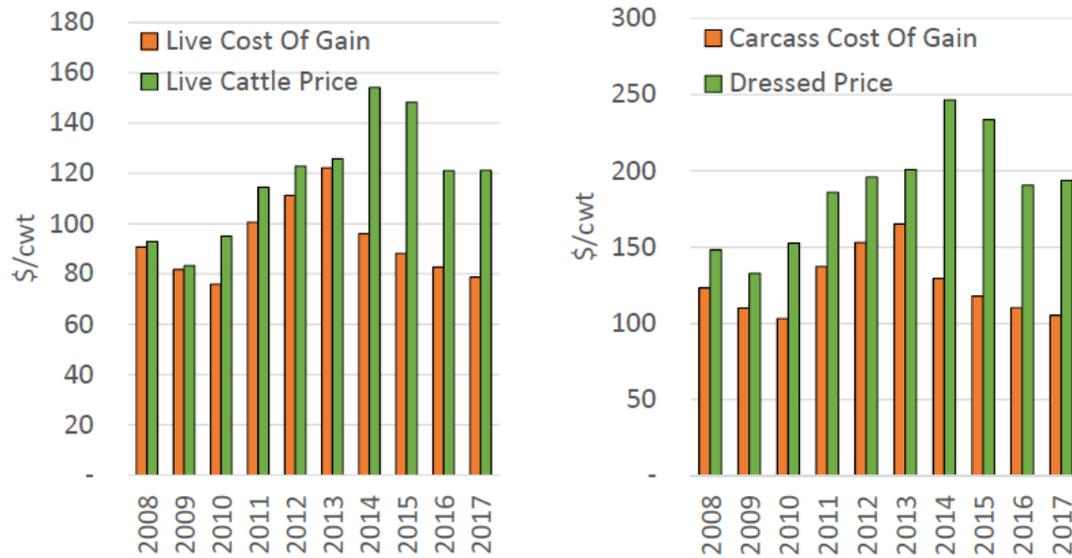
“We could remove the flavorful spinalis muscle, process trimmings into high-quality burgers and just sell the ribeye filet, rather than cut the whole ribeye too thin for most consumers to cook properly,” he says. Some strip steaks could also benefit from innovative cutting, but the notion of “some but not all” brings up another issue: lack of consistency.

At every stage of processing beef, workers need to have standardized plans for efficient work. Packing plants designed to divide carcasses into eight boxes cannot easily adjust when subprimal weight dictates that be moved to 9 or 10 boxes.

The need for consistency and planning begins on the seedstock ranches that “have to look several years ahead to develop genetics for the next decade,” McCully says. “Angus breeders selecting for high performance while keeping downward pressure on mature cow size is one example of proactive planning.”

As the modern cow herd evolves, every stakeholder from ranch to retail considers what incentives might emerge to create greater consistency in the box, meat case and ultimately on the plate. ###

Market structure and production economics have supported heavier weights



Source: AgStrata and Cattle-Fax