

2006 National Angus Conference & Tour



CAB[®]: It's YOUR Brand

by Micky Wilson

BOISE, IDAHO (Sept. 26, 2006) — Mark McCully, CAB director of supply development, enthusiastically embraces the initiative that the *Certified Angus Beef*[®] (CAB[®]) brand belongs to producers.

McCully, in a "Back to Basics" session presented Sept. 26 at the 2006 National Angus Conference & Tour, stated that the brand's mission is to "increase the demand for registered Angus cattle through a specification-based branded beef program to identify consistent, high-quality beef with superior taste."

He explained the structure of Certified Angus Beef LLC (CAB), which is a wholly owned, nonprofit subsidiary of the American Angus Association. While no actual product is owned by CAB or the Association, the brand, *your* brand, McCully emphasized, is.

Additionally, he explained that CAB has licensing agreements with all aspects of production and distribution channels. Revenue is derived from commissions paid

by packers and processors, and 85% of the U.S. packing base produces CAB.

"So our check comes from the packer," McCully reiterated.

The CAB brand has seen significant growth during the last 20 years. In 1985, 25 million pounds (lb.) of CAB were sold. In 1995, 225 million lb. were sold. That number increased to 532 million lb. in 2005.

So what are the challenges ahead for CAB? According to McCully, the challenge is competition within a branded beef category that includes numerous Angus names and supply.

There are 63 U.S. Department of Agriculture (USDA)-certified beef programs, McCully shared. Forty-eight of



Mark McCully, CAB director of supply development, presented an overview of Certified Angus Beef LLC and introduced new specifications for the brand.

those programs include a breed in the name; 46 include Angus, and two include Hereford.

When looking at supply, McCully noted that while Angus registrations peaked in 1968 and bottomed in 1986, numbers have been on a steady incline since that time. Correspondingly, the number of Angus-type cattle identified for the program has been on the increase.

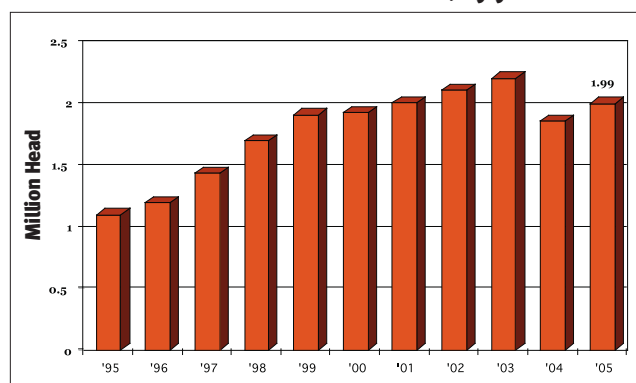
McCully stressed the need for more Angus genetics that could meet CAB carcass specifications, stating that with adequate supply, the program could reach 1 billion pounds per year.

Specifications

"An issue we have as an industry, and as a brand, is consistency," McCully said. To maintain a consistent product, specifications for CAB include both live and carcass specifications. Live specifications include a hide that is at least 51% black, or, new to the program, AngusSource[®]-tagged cattle.

McCully introduced some refinements to the brand's carcass specifications that were approved at the September CAB Board of Directors meeting to further enhance the consistency of CAB product. The Board replaced the former yield grade specification with a window for ribeye area and a

Number of carcasses certified as CAB[®], by year



maximum carcass weight.

Current USDA carcass CAB specifications include:

- modest or higher degree of marbling;
- medium or fine marbling texture;
- “A” maturity;
- ribeye area within 10-16 square inches;
- hot carcass weight less than 1,000 lb.;
- moderately thick or thicker muscling characteristics;

- no hump on the neck exceeding 2 inches in height;
- practically void of internal hemorrhages; and
- no dark-cutting characteristics.

To listen to McCully’s presentation or to view his PowerPoint®, visit the newsroom at www.nationalangusconference.com.

