

2007 Cattle Industry Annual Convention & Trade Show

Coverage by Angus Productions Inc. — www.4cattlemen.com

Meeting Consumer Needs

Panel of speakers tackles issues of marbling, uniformity and carcass quality.

Story and photos by **Steve Suther**

NASHVILLE, TENN. (Jan. 31, 2007) — The beef industry's Long Range Plan aims to increase consumer demand 10% by 2010, said Colorado State University meat scientist Daryl Tatum. That requires moving away from the "produce-and-then-sell" programs of the past. Research shows consumers pay more for highly marbled beef, and a trigger level for that higher demand is at the Modest⁵⁰ level, he said.

Although Tatum showed Cattle-Fax data listing significant premiums for Choice over Select, and for the *Certified Angus Beef*® (CAB®) brand and Prime over Choice, he said the premiums have not been enough to create more supply.

Paul Heinrich of Sysco Corp., the nation's largest foodservice distributor, said consumers have changed much since the company started in 1970. "Most women did not work outside the home then, whereas now two-thirds do. They have

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more money and less time to cook," he said.

Consumers spent 14% of their income on food in 1970. They spend just 11% now, even though the price of beef has increased rapidly in recent years. Heinrich analyzed segments of demand, from aging Baby Boomers to generations X and Y. All are influenced somewhat by perceptions over science, and that's one reason he expects "Natural" beef to increase from its current 1%

market share to more than 5% in the near future.

Ray Bozzacco, meat manager for the Meijer's Supermarkets in Grand Rapids, Mich., said he carries three brands, but only Choice or better. Meijer's is the top-volume U.S. retailer for the CAB brand. He questioned several basic beef industry practices, including all use of hormones and antibiotics, and called for more open and honest communication between producers and consumers.

Tatum, Heinrich and Bozzacco presented their comments Jan. 31 during the Cattlemen's College® session "MA102: Beef Products 2010 — Meeting Consumer Needs" at the 2007 Cattle Industry Convention and NCBA Trade Show in Nashville. The

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Cattlemen's College is sponsored by Pfizer Animal Health. Audio files of the session are available in the www.4cattlemen.com newsroom.



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