




**Certified Angus Beef LLC**  
**“Supplying the brand”**  
 Mark Polzer  
 Vice President Business Development



*Certified Angus Beef®*  
 program History and Overview

Background

- In the 1970s, demand for Angus cattle was on the decline





Prior to the 1970's

ANGUS


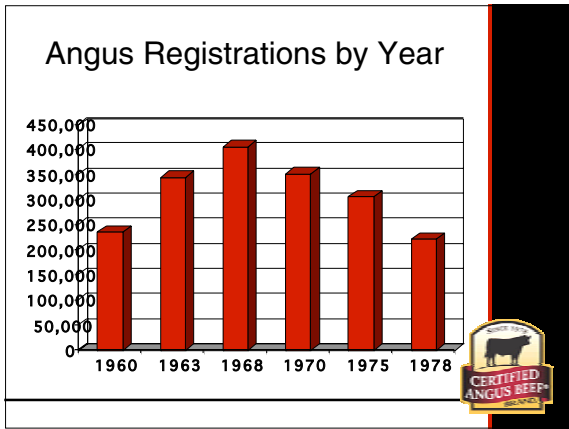


SHORTHORN




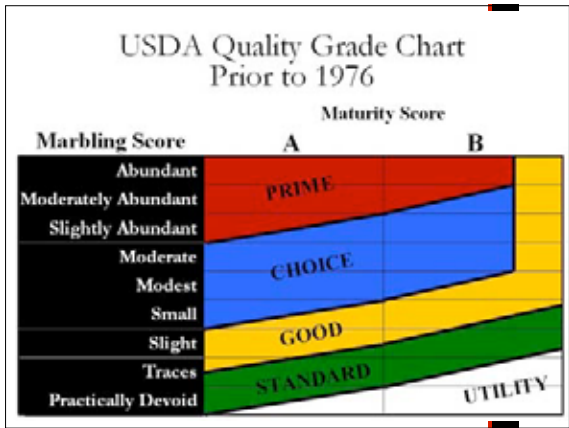


HEREFORD

Background

- In the late 1970s, demand for Angus cattle continued to decrease
- Angus cattle surpass all other breeds for producing quality product

### USDA Quality Grade Chart After 1976

Marbling Score	Maturity Score	
	A	B
Abundant	PRIME	
Moderately Abundant		
Slightly Abundant		
Moderate	CHOICE	
Modest		
Small		
Slight	GOOD	
Traces		
Practically Devoid	STANDARD	
		UTILITY

### Inconsistent Beef Quality



### #1 Reason Consumers Purchase Beef

TASTE!



### Mission Statement

*Increase demand for registered Angus cattle through a specification-based, branded-beef program to identify consistent, high quality beef with superior taste.*



### 1978 – The Beginning

- Non-profit
- Subsidiary of American Angus Association
- Never own product



### Today

- Leading fresh beef brand worldwide, marketing more than 570 million pounds per year
- An estimated 86% market share of “high quality” Angus beef sold
- 86% consumer recall among those exposed to the brand
- Marketed by more than 13,500 licensees



## 1976 – An Opportunity



## The Mission of Certified Angus Beef LLC

Increase the demand for registered Angus cattle...



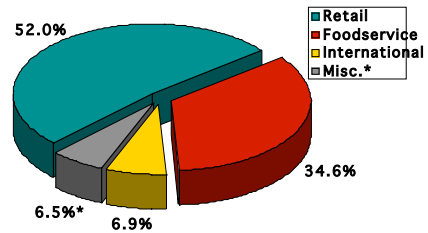
## How?



...through a specification-based, branded beef program to identify consistent, high quality beef with superior taste



## Pounds Sold by Division



Fiscal 2006  
\*Cannot be assigned to a specific division

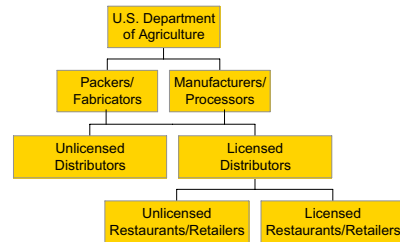


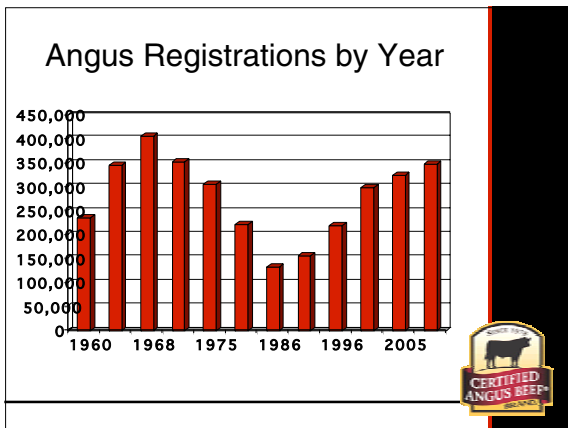
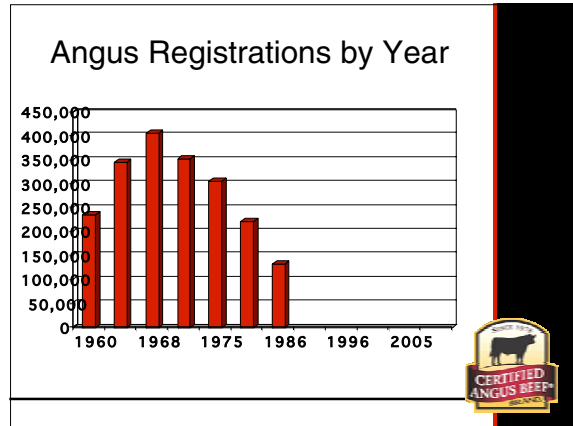
## The Recipe for Success

- Ten science-based specifications that Angus-influenced cattle need to meet



## The Recipe for Success





### The Product

- 10 Science-based specifications
  - Modest or Higher Degree of Marbling
  - Medium to Fine Marbling Texture
  - A-Maturity
  - REA 10.0 – 16.0 inch<sup>2</sup>
  - HCW less than 1,000 lbs
  - FT less than 1.0 inch
  - Moderately Thick or Thicker Muscle
  - No Neck Hump Exceeding 2 Inches
  - Practically Free of Capillary Ruptures
  - No Dark Cutters

Science-based Specifications

NATURAL PRIME

CERTIFIED ANGUS BEEF

*Angus beef at its best*®

Only 1 in 5 Angus accepted for the brand

CERTIFIED ANGUS BEEF

### Marbling: What Is "Top Choice"?

Small  
USDA Choice minimum  
65% of Choice beef

Modest  
"Top Choice"  
35% of Choice beef

Moderate

CERTIFIED ANGUS BEEF

## Marbling and Flavor

- Beef flavor and aroma is determined by species-specific carbonyl compounds located in the marbling
- As the amount of marbling increases, there are progressive increases in the desirability and/or intensity of flavor
- Impacted by
  - Nutritional regimen (grain vs. forage)
  - Days on feed



## Marbling and Tenderness

- Marbling improves tenderness
  - 1) Reduces bulk density of each bite
  - 2) Lubrication
  - 3) Increases susceptibility of connective tissue to gelatinization
  - 4) Provides insurance against overcooking
    - Enhances the perception of tenderness and protects myofibrils from hardening during cooking



## Grades do count!

Reduce your risk of offering a slightly tough or tougher steak.

Grade	Frequency
Certified Angus Beef®	1 in 50
USDA Choice	1 in 13
USDA Select	1 in 6

Source: Oklahoma State University, 2002 (submitted for publication)

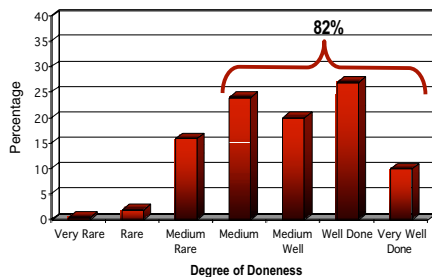


## Marbling & Juiciness

- “Insulation” during cooking
  - Slows the migration of heat and reduces fluid loss
- Turns to liquid
- Stimulates salivary glands



## How Do You Like Your Steak?



Source: National Livestock and Meat Board



## Team Angus II

- 9 Regional Executive Account Managers
- 1 Account Specialist



## Support Teams

- Brand Assurance
- Sales Marketing
- Customer Service
- Value-added Products



### EAM Regions

\*EAMs' home office  
H\Sales\Resource File\EAM Reg  
Updated 10-18-06

**Heidi Scheffler**  
WA, OR, ID, MT, AK, HI

**Lori Dunn**  
ND, SD, MN, IA, WI, IL (northern portion), UP of MI

**Kim Arseneaux**  
IL (southern portion), MO, KY, OH (southwest tp), TN, IN (southern portion)

**David MacVane**  
(Brian Donelan, Account Specialist)  
CT, DE, MA, ME, NY, VT, NH, RI

**Kyle Miller**  
IN (northern portion), MI (except UP), OH, PA, WV

**Amanda Wydner**  
MD, VA, NC, DC, FOODSERVICE - GA, SC, FL

**Marty Berlin**  
CA, NV, UT, WY, AZ

**Gale Rhoads**  
CO, NE, NM, OK, TX, KS

**Randy Whittemore**  
LA, MS, AL, GA, SC, AR, TX

Direct calls for the following EAMs' to their Customer Service

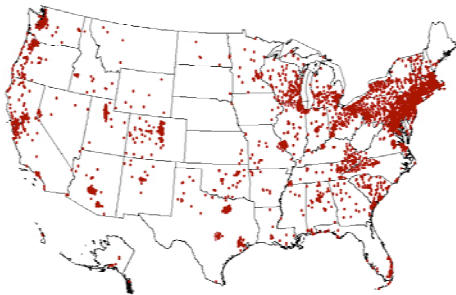
EAM	Amanda	David/Brian	Gale	Heidi	Kim	Kyle	Lori	Marty	Randy
BA	Steve	Steve	Bill	Bill	Bill	Steve	Bill	Bill	Steve
CS	Beth	Cindy	Cindy	Valerie	Cindy	Beth	Valerie	Valerie	Val
MKT	Tara	Tara	Sarah M	Diane	Diane	Sarah M	Sarah D	Sarah M	Tara
VAP	Mark G	Brett	Jody	Diane	Diane	Brett	Brett	Jody	Mark G

## Retail Division

- 4,550 Licensed stores
- Key accounts
  - Meijer, Inc.
  - Schnucks
  - Giant Eagle
  - Giant Food Stores
  - Price Chopper
  - Stop n' Shop
  - Food City
  - Shoprite
  - Quality Food Centers (QFC)
  - Fresh Brands (Piggly Wiggly)



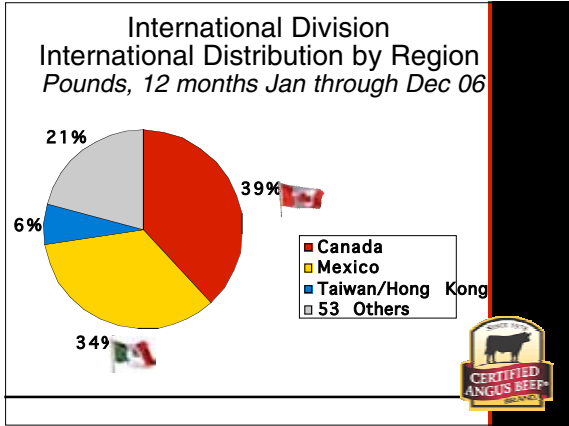
## Market Penetration



## Foodservice Division

- 6,243 Licensed restaurants
- 71,605 Restaurants purchased in the last year
- 111 Licensed foodservice distributors
- 40 Licensed chain distributors (RCS)





# Taiwan



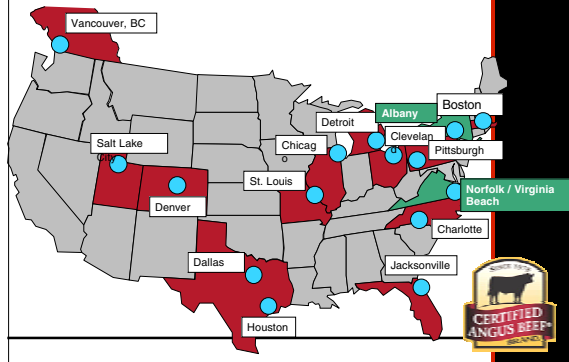
## Marketing the Brand

Target Market Approach and Implementation

- Consumers as the only audience.
- Public Relations at the center.
- **Precise demographic: women, 34-55, \$50K, w/children – secondary target: men, same demo.**
- Layering of several marketing disciplines.



## Past, Present, & Future Target Markets



## Great Northeast Home Show

Albany, NY



- Feb 9-11, 2007 • Cooking Demonstration
- Premier Sponsor • Coupon Distribution
- Sampling



## Magazine Advertising – Albany, NY

- Mouthwatering campaign
  - Cooking Light
  - Country Home
  - Country Living
  - Food & Wine
  - House Beautiful
  - This Old House
  - Traditional Home
- Late spring/early summer



## Price Chopper Cooking Classes

- “Healthy Eating Habits” – Winter 2007
- “Summer Grilling” – Summer 2007
- Over 100 attendees at each class
- Education, Sampling and coupon opportunities





## The Face of the Brand



## Television Exposure



## Food Shows

- Sysco Philadelphia
- Sysco Ventura
- Sysco Billings



## Chain Restaurant Initiative



- Successful test in 14 locations in January.
- Expanded to 65 locations in May.
- Will launch in 195 locations in June.





- US Airways
- American Airlines



## Education

- Building Blocks for Success
- Round up
- Specialist
- Annual Conference
- Customized Programs
- *Science Behind the Sizzle™*
- *760 Days in 60 Minutes™*

## Design Services



## Menu Design



## Web / Interactive



Producers, Packers,  
Distributors, and Consumer

Profit, Profit, Profit, Profit

Win, Win, Win, Win

Here to serve you!  
Thank you

