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BEEF

QUESTIONS & ANSWERS

Better Understanding the Beef Consumer

by Charlene Schuster,
Executive Director,
Montana Beef Council



Welcome!

...again to this year's editions of *Beef: Questions & Answers*, brought to you by Montana State University and the Montana Beef Council.

This is our sixth year of publishing, and our readership grows every year. You will notice some new features this year, including a "question of the month" that allows you to see what other readers think. Answers will be published in the next month's newsletters.

As always, we appreciate your ideas and suggestions. Enjoy your subscription to *Beef: Questions & Answers!*

Charlene Schuster
Executive Director, Montana Beef Council

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Professor and MSU Extension Beef Specialist

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MSU Extension Beef Specialist
Ft. Keogh, Miles City

Consumers love the taste of beef. Both at home and in restaurants, the average consumer eats more beef than any other type of meat. On average, consumers eat beef 136 times each year, 75% in-home, 21% from or in a restaurant and 4% at school or work. However, until the past year, beef consumption had been declining for many years, primarily because of perceptions of convenience and confusion about the nutritional value of beef.

There are several distinct consumer segments with different attitudes toward beef and different consumption habits. Although beef is clearly America's favorite meat, there is a more complex underlying relationship between beef and the people who consume it. Variations in consumption patterns correspond to gender, ethnicity, socioeconomic level and age. For example, males of all age groups consistently eat more beef than females, especially in restaurants; beef consumption rises steadily through youth and adolescence for both genders. However, in the late teens, female consumption takes a sharp downturn but rebounds to or above previous levels when they reach their mid-20s. People above 65 consume less beef as they age.

Consumers today have less time to prepare meals and are looking for convenient, quick and easy solutions. They don't think beef fits their busy lifestyles when many

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Beef Quality Assurance Training Set for January 22

by John Paterson, MSU Extension Beef Specialist

Beef quality assurance training and certification will take place from 4-6 pm January 22 at 10 Montana locations. This two-hour program will be taught in an “interactive-TV” format where you can ask the speakers questions about the latest BQA guidelines.

Becoming BQA-certified makes sense, because it helps you promote food safety and better economic decisions,

improves the consistency of the product and encourages you to participate in the Montana Beef Network.

The Network has three overall requirements: BQA training, feeder calf certification and, most importantly, information exchange on the performance of your calves after they leave the ranch. The following locations will host the program.

City	Location	Address	Contact person
Billings	MSU Billings	1500 N. 30th St. Special Ed. Bld. Rm 159	Paul Dixon 256-2828
Bozeman	MSU-Bozeman	EPS Bld. 7th and Grant	Ron Carlstrom 582-3280
Butte	Montana Tech	1300 West Park St. ELCB Rm. 321	Harold Johns 723-8262
Dillon	W. MT College	710 S. Atlantic, Library	John Maki 683-2842
Great Falls	College of Tech.	2100 16th Ave. So. Room R-182	Wade Crouch 454-6980
Havre	MSU-Northern	Hagner Sci. Center, Rm 202	Mike Schuldt 357-3200
Helena	College of Tech.	1115 N. Roberts St.	Larry Hoffman 447-8346
Kalispell	Flathead Comm. College	Learning Resource Center	758-5553
Miles City	Comm. College	2715 Dickenson Street, Room 106	Kent Williams 233-3370
Missoula	U of M	Gallagher Bld. Room 104	Jerry Marks 829-4200

Check out these beef Web sites...

www.beef.org

Beef Industry web site for all beef related information from on-the-hoof to on-the-plate. Including food service, retail, food safety and much, much more.

www.beeffoodservice.com

A new resource for food service professionals. The site contains information on facts & trends, recipes, beef cuts, food safety and a resource room for downloading materials.

www.beefnutrition.org

A web site specifically for health professionals and nutrition communicators. You will find information about beef products, latest nutrition research projects and valuable educational resources for both yourself and your clients.

www.teachfree.com

Especially for preschool through 12th grade educators looking for high-quality supplemental classroom kits.

FREE teaching kits available through this web site.

www.burgertown.com

KIDS! Learn all about nutrition at the fun filled site by ‘going’ to the Health Club or the Drive Thru Diner. Watch for a new game coming soon. 🍔

Rancher Profile

Jim Hagenbarth

“We’re going to make a lot of changes so this outfit will have a low breakeven. It probably won’t include much federal land because current restrictions don’t allow us to manage the resource in an ecologically sound and responsible manner,” says Jim Hagenbarth of Dillon. The bottom line, he says, is that producers can no longer just raise beef.



“We have to raise a product that value can be added to. Beef products must be developed that will satisfy the consumer’s needs and can be prepared in under 30 minutes.”

Hagenbarth compares what beef producers need to do to survive to other agricultural producers:

“Those that raise and sell spuds are going broke, while those that raise spuds and sell frenchfries are making it.”

Hagenbarth is no stranger to change. Originally, the family ranch produced sheep. In the 70s, it changed to a cow/calf/yearling outfit managed by Jim, his brother Dave and mother Margaret. Its winter range is in southwestern Montana and summer range in southeastern Idaho.

The cow herd is evenly split and managed to calve in spring and fall. “Our goal is to produce feeder cattle that we can take as close as we can get to the feedlot with as little supplemental feed as possible. It is important to satisfy a cow’s needs when they are highest by using forage that is naturally produced by the environment you are using. We try to use natural forage while breeding our cows. If she is open, we’ve failed.

“We have tried to adapt the fall calving program by weaning early. If you try to grow the calf using the cow in the winter, it is expensive. Once the cow is bred, her duty is done with the calf and she merely has to maintain till spring. Very little feed is required. By the time the bulls are pulled, the calves are old enough to be weaned. A 300 pound calf does not take much feed and we maintain the cow in a fashion similar to how hog producers manage bred gilts.”

“You need a genetic package you can add value to. Generally, you want to develop a cow that would produce an 800 pound carcass that would fit either a select or choice market. That cow needs to be in the middle of the road,

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Extension’s Request to the Legislature

By David A. Bryant, Vice Provost and Director of Extension

Time and time again, we in Extension hear that our Montana farmers and ranchers need support with marketing, reaching out to consumers, adding value to commodity products, and other business-related issues. We are addressing those needs this spring with a budget request to the Montana legislature that would fund three new marketing/economic development positions within Extension.

We are asking the legislature for \$281,598 per year to fund salaries, benefits and operations for a Technology Transfer Marketing Specialist based at MSU-Bozeman; a Marketing/Economic Development Specialist based at the Southern Ag Research Station (Huntley); and a Value-added Specialist based at the Eastern Ag Research Station (Sidney)

All three would work on programs and education that address value-added products; new marketing strategies, including Internet commerce; non-traditional agricultural income; and helping small business in rural areas. They would:

- Develop educational programs on agricultural marketing
- Teach producers about marketing strategies and new technologies
- Evaluate traditional vs. non-traditional marketing for Montana-grown products
- Monitor market trends, identify new markets, and develop generic business plans for marketing specialty and niche market products
- Help develop new and value-added products, cooperatives and private partners

Farms, ranches and small businesses are the backbone of Montana. If we help producers and business people with economic development and marketing, we will see more stable rural economies, healthier families, more services in rural areas and more jobs for Montanans. By studying marketing-related issues, we can increase consumers’ demand for Montana beef, we can help producers know which marketing strategies might be more profitable, and we can keep more dollars in Montana, instead of going to other states and countries.

We hope you will spread the word to your legislators that this \$281,598/year could mean millions in market opportunities for Montana’s agricultural community. 🐄

“The person with the most information wins”

Montana Beef Network seeks to help producers add value to Montana cattle

By Carol Flaherty, MSU News Services

For several hundred Montana beef producers, gone are the days when they bred cows, raised calves, sold ‘em, cashed the check and simply started over again.

In the information age, where both consumers and auction bidders want quality assurance, the information provided by the Montana Beef Network is a way producers can get the information they need to predictably qualify for those premiums.

“We all have to do more and more, to know more about what kind of a product we are selling and how it works in a market,” says Jim Paugh, a commercial crossbred producer north of Belgrade.

Paugh is one of 400 Montana Beef Quality Assurance certified producers. That means he is part of a program intended to improve beef quality and buyer confidence in their product at both the feedlot and grocery. The education program is run by the Montana State University Extension Service. It is part of the Montana Beef Network, which has broader beef quality and cattle management goals and is jointly facilitated by the Montana Stockgrowers Association, MSU and the MSU Extension Service.

Though only two years old, the program already has buyer-advocates.

“I’d love to have more steers from the Montana Beef Network,” says Mike Briggs, of Briggs Feedlot in Seward, Neb. “I wish more people would get involved with it.” Briggs added that when he buys network-certified cattle, “I’m getting cattle that I know have been handled properly, and I know they’ve had preconditioning shots. The other thing is that it allows me to add value to them by putting

them into the Nebraska CornFed Beef Program.” The Nebraska program requires source-verified and beef-quality-certified cattle.

Producers can take the classes of the Montana Beef Network without becoming a certified producer. Or they can pay a \$20 per ranch fee and take training every two years to be certified producers. Some take it even further. There are 150 of the certified producers who also chose to certify their cattle — over 21,000 cattle in 1999, says Quinn Holzer, a network coordinator with the Montana Stockgrowers Association.

“I’d love to have more steers from the Montana Beef Network. I wish more people would get involved with it.”

-Mike Briggs, Briggs, Feedlot in Seward, Nebraska

To be certified, cattle must be raised by producers who agree to strictly follow FDA, USDA and EPA guidelines, to keep individual records of all treatments, to strive to prevent bruising, stress and injury to the animal during handling, and to transfer all those records with the cattle to the next production level.

In addition, most certified cattle are tracked by an electronic ear tag. Much as a grocery store uses bar-codes to track information such as price and items sold, the ear tag is the key to getting information back to the producer from the feed lot and processing plant. With the uniquely coded ear tag, Paugh, or any of the other producers with certified cattle, could find out that an Angus steer sired by a bull called “Black Gold” with a mother named something like “Black Diamond” produced choice meat, whereas one by the same sire and a different dam, raised and fed under the same conditions, only made select quality.

“We’re trying to encourage producers to do all of those things that can help bring dollars back to them and also benefit the consumer,” says Cheyenne Cundall, a network coordinator with the Montana Stockgrowers’ Association.

Certified producers are taught that such cattle-friendly recommendations as “reducing stress” on the animal reduces not only cattle injuries and sickness, but increases handling efficiency, all things that improve the “bottom line.”

But do quality-certified cattle make more money for producers?

That’s hard to verify so early in the program, says John Paterson, MSU Extension Service beef cattle specialist. Paterson said the research is clear that healthy steers make more money in feedlot net returns than sick steers, but he is just now collecting data to determine profitability of Montana Beef Network-certified steers versus other marketed steers.

The Montana program has shown, however, that producers can “dramatically reduce the number of out cattle,” those rejected at the packing plant for a variety of reasons, says Cundall.

Briggs is much more direct about just what a certified steer is worth to him compared to other market steers.

“Do I discount cattle that aren’t certified? No. They are worth zero. It is the difference between me bidding on your cattle and me giving you nothing,” says Briggs, whose feedlot finishes between 20,000 and 22,000 steers each year.

On the other hand, much of the value of the program comes from information gathered by following certified cattle from birth to beef.

Producers learn not just carcass weight and quality and yield grade, but also about the various systems through which they can be marketed. By selling through the system geared toward their type of cattle carcass, the prices received should be the best possible for the cattle at hand. Various systems include breed-specific alliances, such as Certified Angus Beef and Certified Hereford Beef, but also carcass-specific options such as Laura’s Lean Beef targeted toward carcasses that grade select.

If a producer’s cattle tend to grade select, one of the lean beef options may work best. On the other hand, the information the producer gains may let him or her decide

to change the ranch’s breeding program to target another marketing system.

“I think you’re going to need at least three years of feedback before you change your program, get different bulls or something like that,” says Paugh.

Jake Callantine, who runs a Black Angus ranch near Belgrade, agrees.

“I’m a purebred operator, and I know the sire and dam of every steer. If I can get individual data back, I can see what is working and what is not and I will change selection of stock based on that information. . . I put all my steers in the (Montana Beef Network) program. To get honest and complete data back, you can’t be choosy. You have to put everything in.”

As Briggs says, “The person with the most information wins. . . . You can’t manage what you can’t measure.”

Callantine adds that soon the business will get to the point where all sales are value-based.

“In the beef industry, we had better be willing to prove what our cattle will do hanging on the rail, that they will cut to a certain degree, and if they don’t make it, we’ll get docked,” says Callantine.



Montana Beef Network information also takes the form of connections between producers, educators, associations and buyers.

It “lets people like us down here in Nebraska get in touch with like-minded people up there. We can produce a situation of vertical coordination, all working together rather than the age-old competition,” says Briggs.

As to additional opportunities for Montana cattle producers, Briggs adds that he would also like to see more than just fall steers.

“If there are guys up there that feed through the winter and sell as yearlings after being on grass, I’m looking for them, too. . . Montana has been far and away one of the most progressive states about this. Those producers are different. Those producers are progressive and forward thinking. They want to get the information back to improve their quality. 🐮

Livestock Judging Team Returns to MSU

By Marc King, Judging Team Coach

“After careful consideration, I placed this class of”, will soon be heard from Montana State University students. October 2000 marked the beginning of a new era in livestock judging at MSU. Thanks to funding from the Montana Beef Council, there is enough money to begin a judging program. There are 12 students now practicing who will begin competing in January 2002. Team members practice two hours every Tuesday and will begin practicing two nights per week during spring semester. Classes have been applied for, and will be taught during the fall semester of 2001. Current participants are beginning at varied levels of judging and academic experience. The job of recruiting will begin this spring. More money is still needed to offer more scholarships and enhance the team travel budget. The

judging team hopefully will travel around Montana this spring to help officiate contests or do workshops. 🐄



Understanding the beef consumer, continued from page 1

cuts are largely impractical due to long preparation times. This perception inhibits beef consumption. Some other product categories have adapted to consumers' desire for convenience by removing preparation steps, increasing portability, simplifying purchasing, or taking consumer effort out of the equation. A major goal of the beef industry is to adapt similarly in order to maintain sales dominance and consumer preference for beef.

While today's consumers place a fairly high value on nutrition in the foods they eat, they are increasingly confused about what is healthy. New dieting trends, conflicting scientific studies, and changing advice create an information overload for consumers who simply want to know what's good for them. Belief in the existence of “good” foods and “bad” foods is declining as more people believe that all foods can be beneficial when consumed in moderation and no foods are beneficial if consumed in excess.

Montana producers, through their \$1-per head beef checkoff, help fund Consumer Market Research conducted by NCBA. It has two new studies to understand the com-

plexities behind consumer attitudes toward beef.

- **Beef Strategy Study:** Two main purchase drivers are convenience and nutrition. NCBA is seeking to gain a deeper understanding of the complex interplay of this and other drivers of beef consumption. The study will help NCBA and industry stakeholders fine-tune marketing and communications tactics to increase beef demand. Results of the study are expected in April.
- **Convenient Beef Product Retail Intercepts:** This qualitative study will help the industry understand consumer reaction to and needs for convenient beef products, including products found in the deli, fresh meat case and frozen areas of the store. More than 120 in-depth consumer interviews are being conducted at grocery stores across the country to understand what types of convenient products people buy and why, what grocery departments they turn to and why, and what they like/dislike about convenient beef products currently available to them. Results are expected in January. 🍷

Beef: Questions and Answers is a joint project between MSU Extension and the Montana Beef Council. This column informs producers about current consumer education, promotion and research projects funded through the \$1 per head checkoff. For more information, contact the Montana Beef Council at (406) 442-5111 or at beefcncl@mt.net.

What are the greatest challenges facing the livestock industry? A 2000 reader survey

In May, we surveyed all *Beef Questions & Answers* readers. Thanks for your responses, especially to readers who offered ideas on what we can do better. Here is a sampling of answers to the question, "What do you believe are the greatest challenges facing the livestock industry?"

- Marketing
- Getting value-added dollars back to the producers. Open the border to Canada
- Keeping sons and daughters on the ranch
- Out of state and absentee owners
- Droughts
- Markets
- Government control and production efficiency
- Providing consumer friendly products (quick) and consistent quality
- Dry conditions and having to sell part of the herd
- Marketing and public issues
- Marketing, concern over animal treatment and food safety
- Marketing; communication within the industry
- Inflating production expenses, erratic markets
- Staying on the ranch for the smaller producer, 100-200 head

Who reads Beef: Q&A?

67% are cow-calf producers. 9% are backgrounders

They want articles on cow-calf nutrition (15%), marketing options (12%), range management (12%)

- I don't think we are aware of how new cost levels are threatening the future
- Wolf recovery and spotted knapweed
- Knowing and understanding existing government rules and regulations and minimizing additions
- Imported beef
- Return on investment – We need to continue recent upward trend in prices. Even now it's barely break even, and it would be nice to actually turn a modest profit sometime.
 - Feeder calves up, but for how long? Environmentalists trying to push to keep cattle away from streams, etc.
 - Meat quality, being able to compete financially
 - The desirability of beef opposed to other meats and the importing from other countries
 - Fair price for product, federal leases
 - Commodity market servitude
 - Staying in the business. Maintaining adequate pricing and marketing

Do you want to see more of these responses? There are over 200 in all. Send your YES or NO to publications@montana.edu

Rancher profile, continued from page 3

with some continental in her, and the two markets hit through terminal crossing.

"If you take the pressure off the mother cow by breeding her when there is lots of feed, you can use a female that will yield higher in regards to carcass. This will become important when the cost of gain becomes higher due to energy costs."

"Extension has helped us a lot in designing genetic packages that meet our goals at designated nutrition levels. It also has helped us become better stewards of the resources we manage and to convince federal agencies to recognize the importance of grazing to the overall health of the range resource ecology.

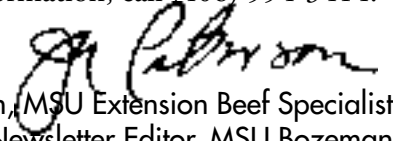
"The worst management is a no management."

Question of the Month:

What will be your biggest challenge over the next 30 days?

E-mail your answers to publications@montana.edu, or mail to PO 172220, MSU, Bozeman, MT 59717-2220
We will publish the answers in next month's newsletter.

Beef: Questions & Answers is published every winter through Montana State University Extension. To subscribe, change your address, suggest article ideas, or for more information, call (406) 994-3414.



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