



# Demanding Quality

**Consumers crave premium beef,  
while cattlemen happily deliver.**

*by Kaylen Alexander*

**I**t is no surprise that as cattlemen have worked diligently over the years to improve the quality of their herds, consumers have also adopted a higher-quality standard. Flashy labeling and clever marketing have grabbed their attention, resulting in a demand for superior products that can transform a weeknight dinner or date night into a true dining experience.

Whether it is a juicy steak sizzling on the grill or a tender prime rib roasting to perfection, consumer expectations have shifted to demand premium-quality beef.

## **Select beef becomes a niche**

Now more than ever, producers are delivering on providing high-quality cattle to the marketplace. On average, 80% of America's cattle are now grading Choice or Prime.

A recent study\* published by the Red Angus Association of America found that Select-grade beef accounted for 40% of beef carcasses harvested in 2006-2007 but has since dwindled and accounted for only 18% of the market in 2018. The study further projects Select-grade beef will make up only 5% of the market by 2025.

The authors found three main reasons for the decline in Select-grade beef: It is consistently worth less than Choice beef, consumers find it less appealing and satisfying, and Select beef costs essentially the same to produce as Choice.

The study also shows that pull-through demand has increased for Choice, high Choice and Prime beef, which has placed a producer emphasis on raising cattle to meet these standards.

Consumers are willing to pay a premium for high-quality beef, and cattlemen and women are delivering through modern technologies and genetic and health advancements that allow them to produce a superior product.

## **Consumers demand quality**

While the market continues to phase out Select-grade products, today's meat cases and menus cater to the consumer, boasting a robust offering of upper two-thirds Choice and Prime cuts.

A recent study conducted by the Beef Checkoff shows that shoppers are better educating themselves on the protein choices available to them, with 72% of consumers aware of United States Department of Agriculture quality grades.

Consumer studies from leading meat marketing and research firm Midan Marketing also show shoppers — specifically the millennial generation — are demanding transparency from the products they purchase.

“Recent research shows that meat and poultry products that include claims are in higher demand,” says Michael Uetz, principal, Midan Marketing. “Educating consumers on differences in quality grades and providing details regarding claims we make about our beef products will give [consumers]



points of differentiation to assess value and assist them in making the right choices for their family.”

Midan Marketing Meat Consumer Segmentation research also shows that consumers prefer branded products — like Certified Hereford Beef®— over commodity offerings.

“I believe consumers are showing a higher interest in branded programs because they want to put their trust and loyalty behind someone who is willing to put their name on the package,” Uetz says. “They are looking for a story they can relate to that aligns with their beliefs and values so they feel good about purchasing the product.”

Branded beef programs have exploded in popularity in recent years by catering to higher consumer standards, with a vast majority of brands adopting specifications that require a minimum marbling standard of Choice or higher to qualify for their programs.

### **Certified Hereford Beef delivers**

With 25 years of excellence behind the Hereford brand, the *Certified Hereford Beef* Premium program is delivering a high-quality product to satisfy these consumer demands.

Created in 2017 to elevate the *Certified Hereford Beef* brand in a competitive retail and foodservice market, the Premium program’s strict specifications ensure only upper two-thirds Choice and higher carcasses receive the stamp of approval. The Premium program is the fastest growing label under the CHB brand, and since the Premium program’s creation, nearly 10 million pounds of the product have been sold to retail and foodservice outlets.

“It’s a competitive marketplace, so a brand really has to stand out to be successful, and the *Certified Hereford Beef* program does that,” says National Beef Business Manager Wes Steimel.



He attributes the success of the *Certified Hereford Beef* Premium program to four key assets: quality grade, consistency, differentiation and the support of the American Hereford Association (AHA).

“The marbling specifications of the Premium program is what differentiates it from the ‘Classic’ program, which was the Select and higher blended program that was phased out in 2019,” Steimel says. “The Premium program’s higher marbling standard — which guarantees higher quality beef — is what customers latched onto.

“*Certified Hereford Beef* also allows our customers to offer something different in the marketplace, and the consistency and quality of the Premium program keeps the end-user coming back,” Steimel continues.

The seal of approval from the Hereford farmers and ranchers of the AHA also provides the program a competitive edge compared to packer and privately labeled brands with similar quality specifications.

“There’s tremendous history in the AHA, and their ownership and backing of the brand creates trust with both customers and consumers,” Steimel says. “It provides an excellent story to tell about the Hereford breed and brand, establishes brand loyalty and delivers the transparency consumers crave in today’s market.”

According to Steimel, demand for Choice and higher beef programs is strong, and the *Certified Hereford Beef* Premium program is a key player that will continue to grow in the quality-driven marketplace.

“There’s a sweet spot on the price to quality continuum, and the Premium program falls right into it,” Steimel says. “Consumers are getting the best product for their dollar with the Premium program, and that’s a huge factor into the growth we are seeing with the brand.” **HW**

\* For more information related to the study completed by the Red Angus Association of America visit, [RedAngus.org/Communications/Educational-Resources/Phasing-Out-Select-Grade-Beef/](http://RedAngus.org/Communications/Educational-Resources/Phasing-Out-Select-Grade-Beef/).

