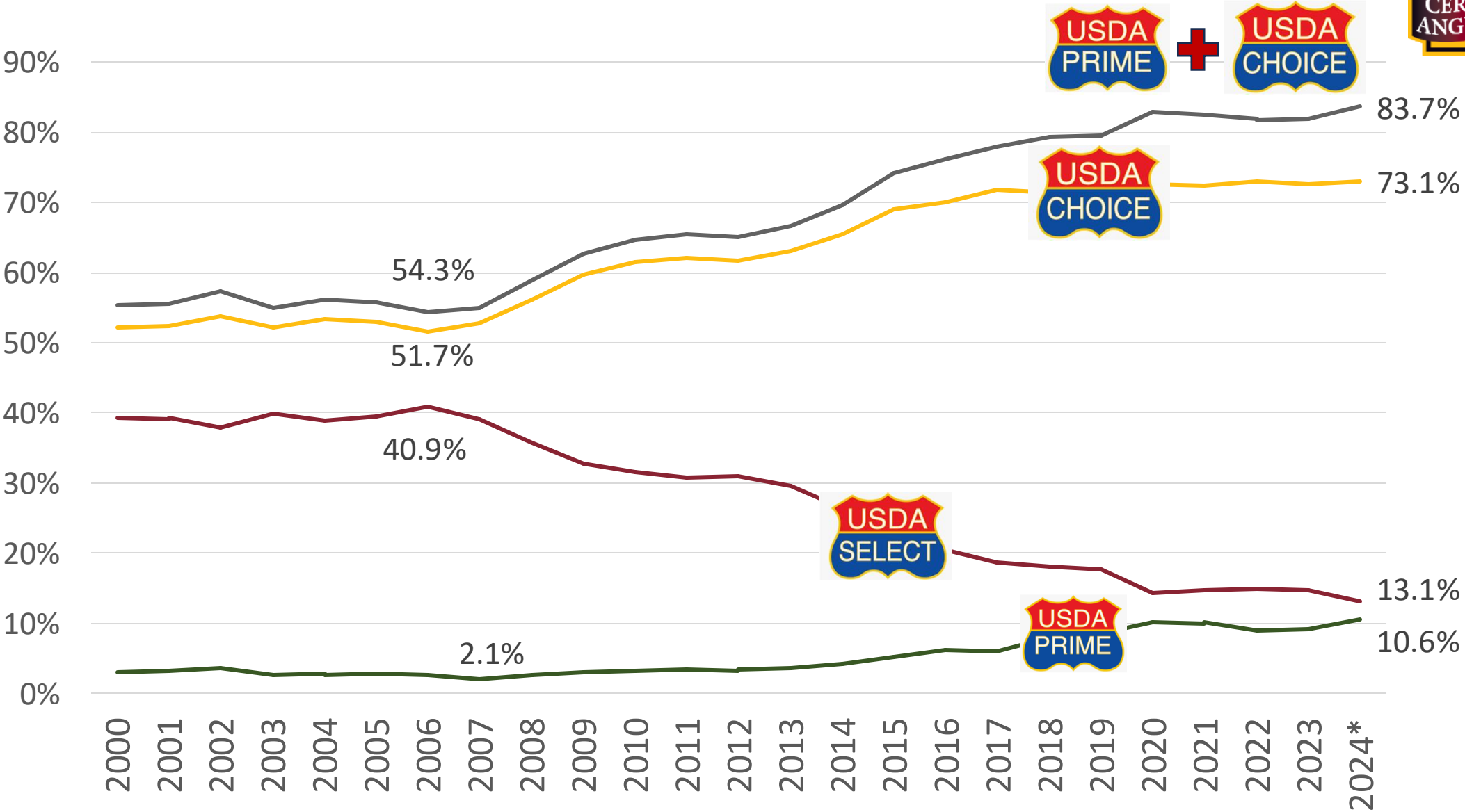




The Influential 10 Percent ?

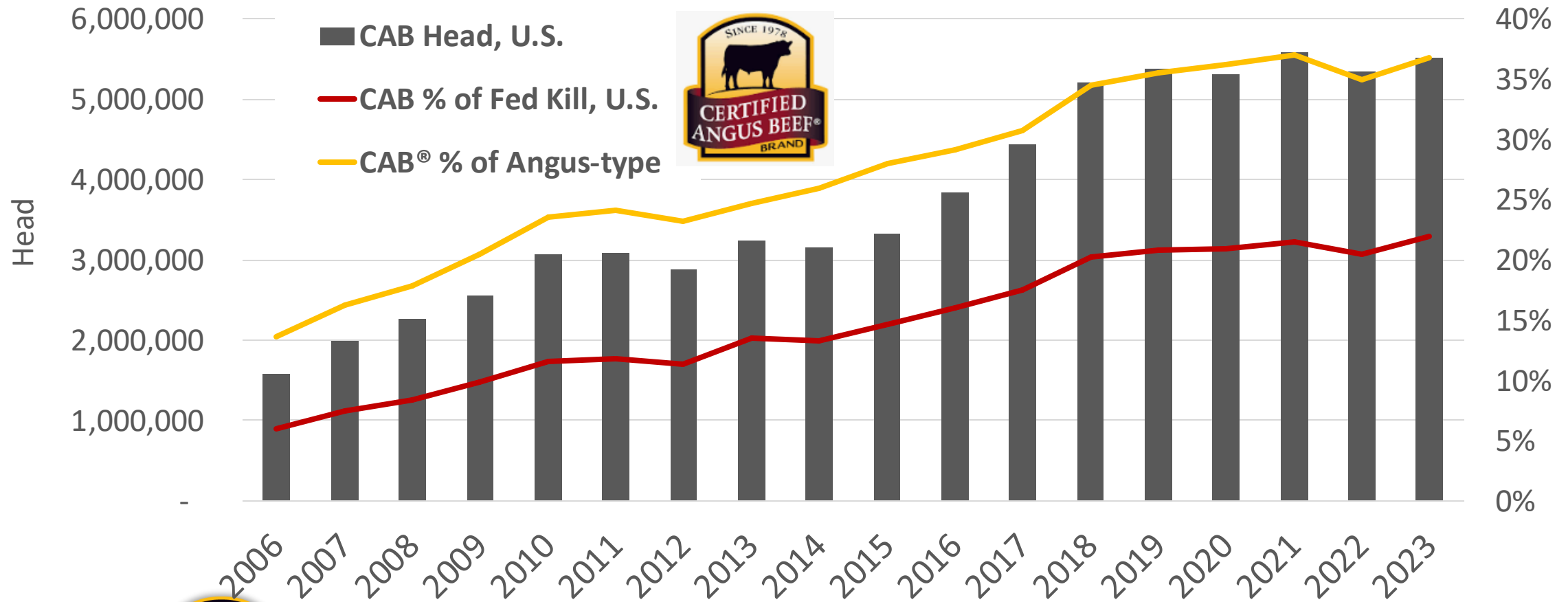
Paul Dykstra

U.S. Fed Cattle – Quality Grade Mix Evolution

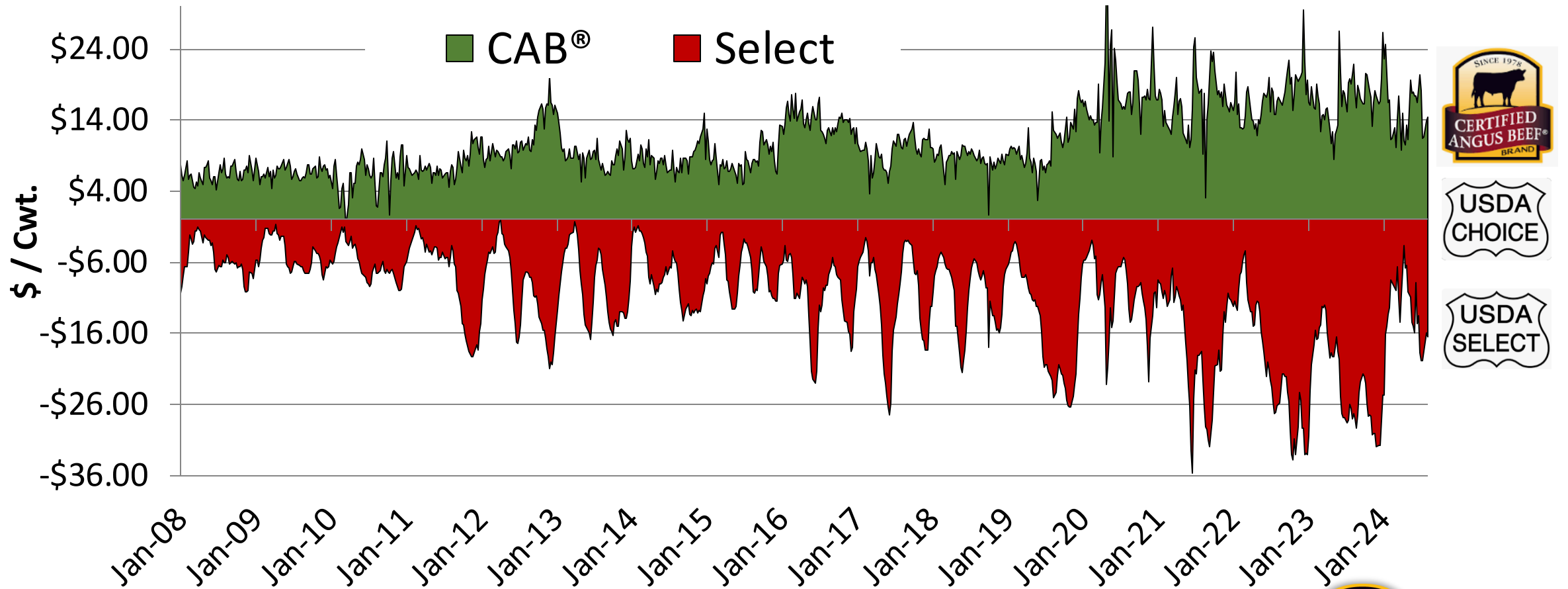


Certified Angus Beef® brand Production

U.S. Only

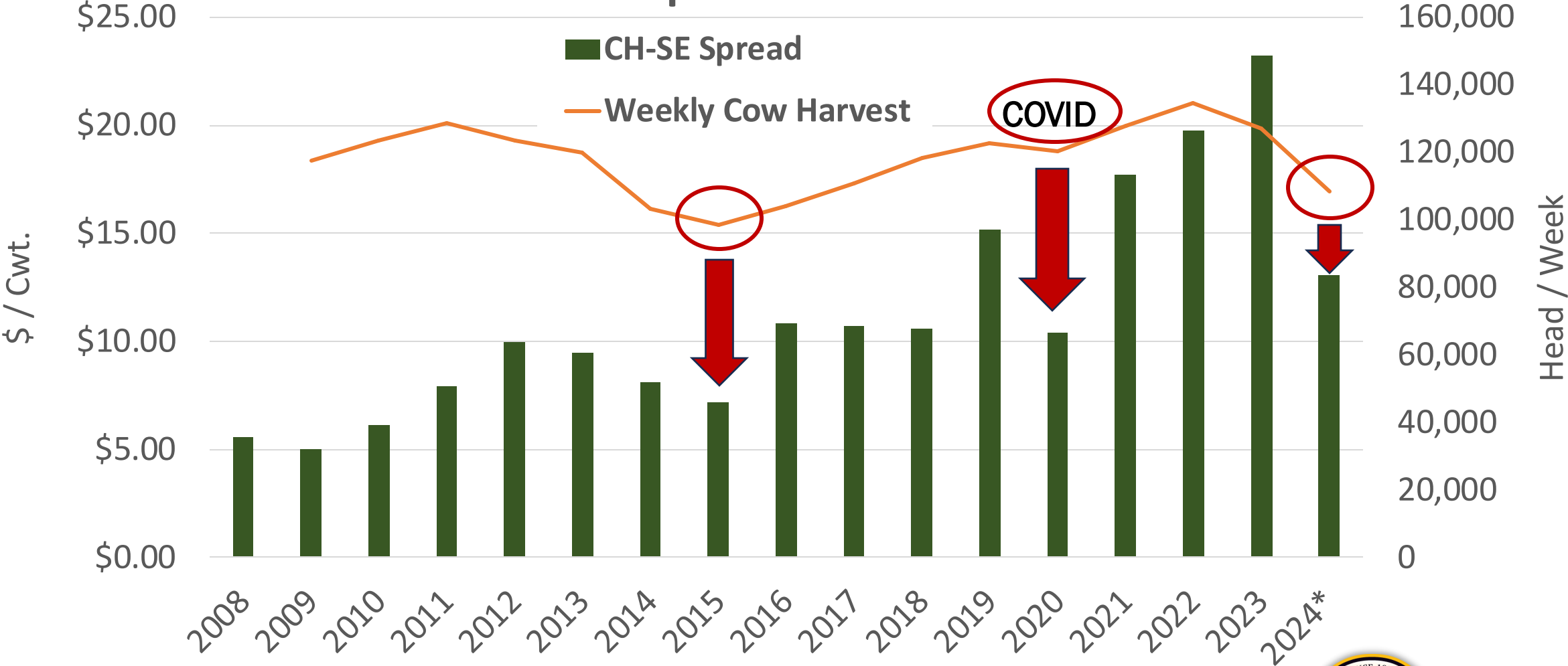


CAB[®] and USDA Select vs. USDA Choice Cutout

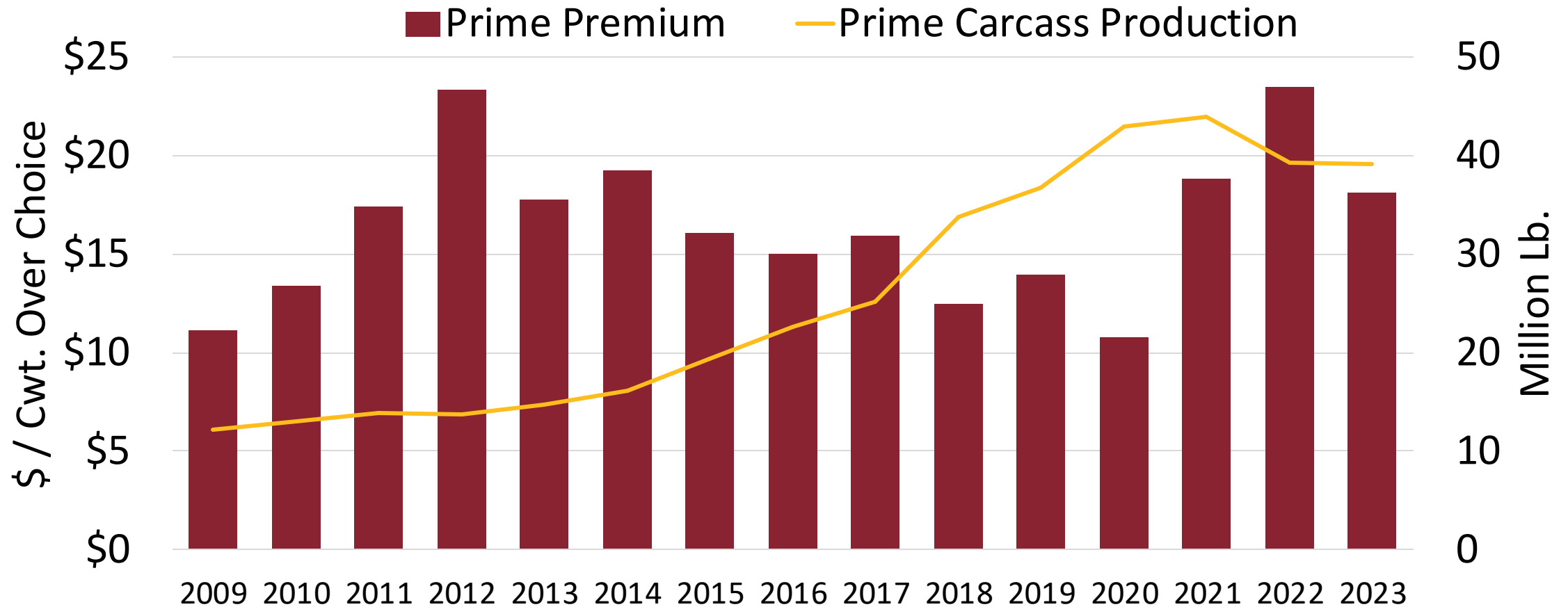


Source: Urner Barry

Choice – Select Spread and Cull Cow Harvest

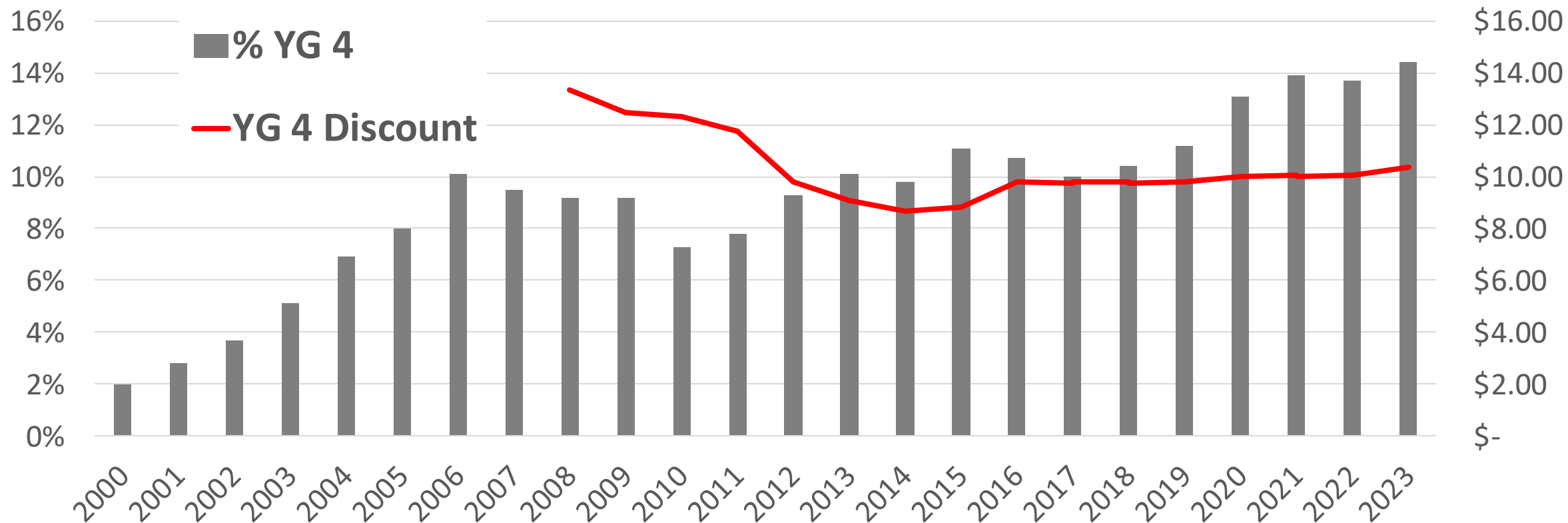


USDA Prime Premium vs. Prime Carcass Production



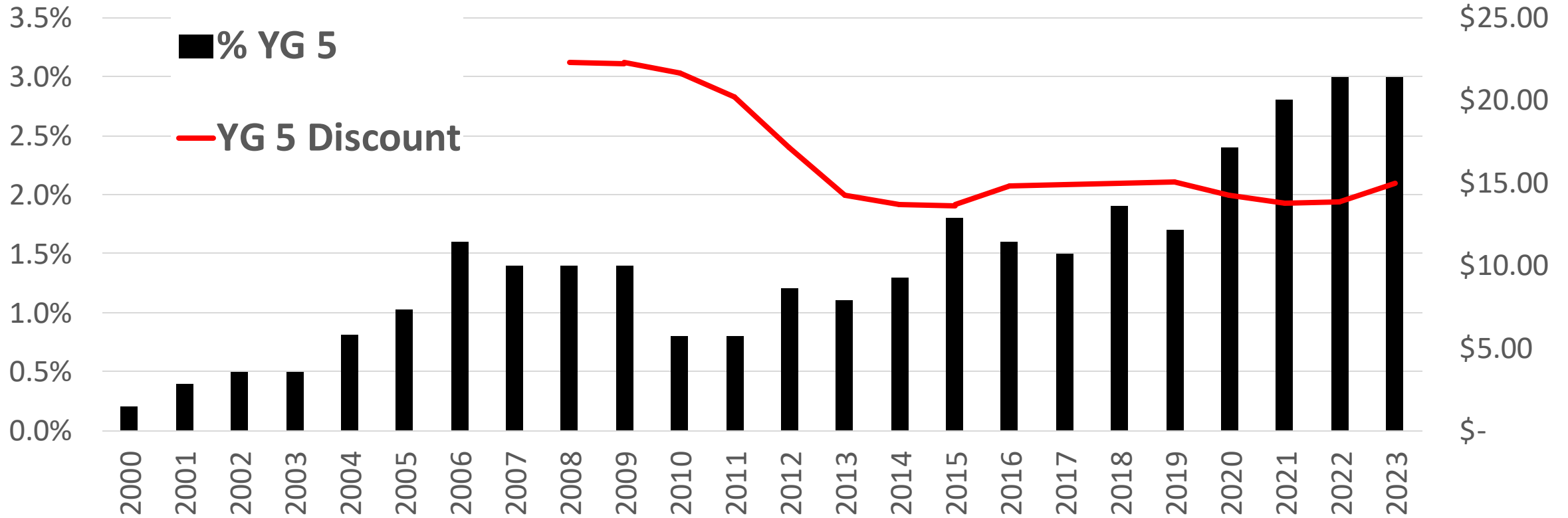
Yield Grade 4

Percentage and Discount Price



Yield Grade 5

Percentage and Discount Price



Reasons Carcasses Don't Certify



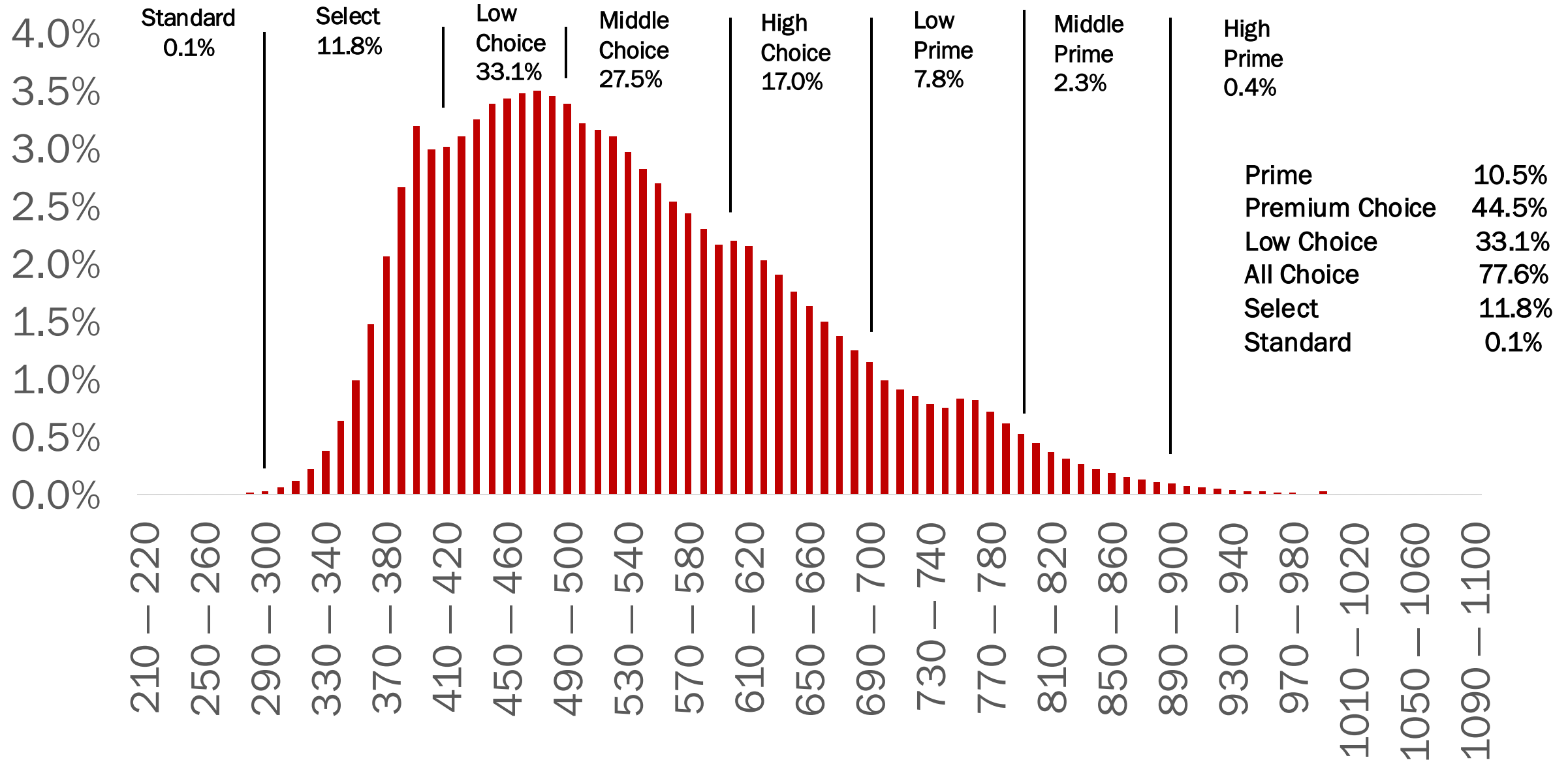
Specification	Defect Rate (%)							
	2023	2022*	2020	2019	2015	2013	2012	2008
Marbling <500	83.4%	83.2%	80.2%	89.9%	91.4%	94.8%	95.0%	94.0%
HCW >1,100**	4.6%	4.2%	NA	NA	NA	NA	NA	NA
>1,050	NA	11.0%	13.8%	6.8%	8.1%	NA	NA	NA
>1,000	NA	NA	NA	NA	NA	6.9%	6.5%	2.6%
Ribeye Area	22.9%	23.7%	17.9%	9.7%	15.6%	12.1%	16.6%	8.7%
>16.0"	22.4%	23.3%	17.6%	9.2%	14.8%	9.5%	15.2%	6.0%
<10.0"	0.5%	0.4%	0.3%	0.5%	0.8%	2.6%	1.4%	2.7%
Back Fat >1"	7.5%	7.4%	9.1%	4.9%	3.1%	2.0%	0.9%	2.5%

Source: Certified Angus Beef Consist Study

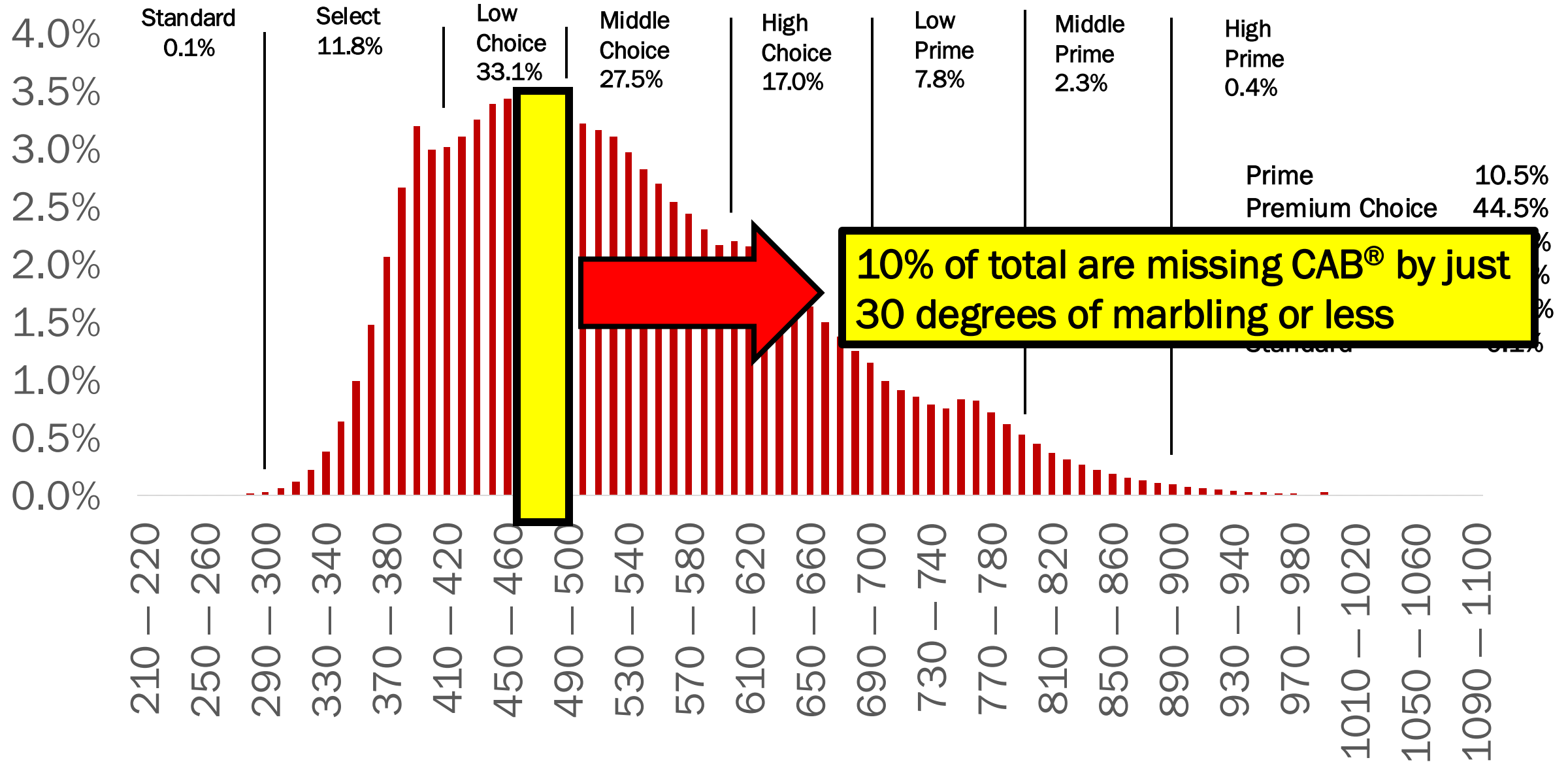
*2022 data is comprised of Oct-21 through Sep-22. An increase from 17.9% to 23.7% in REA DQ rate was largely from a reduction in cattle that didn't qualify due to the HCW change.

** All 2022 data were analyzed as though the 1,100 HCW spec was in effect for the entire time period.

Marbling Score, Angus-Type Carcasses



Marbling Score, Angus-Type Carcasses



30 Degree Marbling Shift



10.5% → 13.9%



44.5% → 51%



33.1% → 31.2%



11.8% → 3.9%

No Roll 0.1% → 0%

Quality Effect of 30 Degrees of Marbling

	2023 Angus-Type	30 Degrees Higher
Prime	\$2.60 / Cwt.	\$3.44 / Cwt.
CAB®	\$2.06	\$2.37
Choice	\$5.15	\$5.45
Select	(\$1.83)	(\$0.60)
Standard	(\$0.03)	\$0.00
Net Premium / Cwt.	\$7.95	\$10.66

\$24.60 / Head Difference

Industry Average vs. 30 Degrees Improved

	2023 Industry	30 Degrees Higher
Prime	\$2.28	\$3.44 / Cwt.
CAB®	\$1.67	\$2.37
Choice	\$4.82	\$5.45
Select	(\$2.26)	(\$0.60)
Standard	(\$1.02)	\$0.00
Net Premium / Cwt.	\$5.49	\$10.66

\$46.94 / Head Difference

70 Degree Marbling Shift



10.5%



20%



44.5%



58%



33.1%



21%



11.8%



1%

No Roll

0.1%



0%

30 Degrees Isn't Quite Enough

	2023 Industry	70 Degrees Higher
Prime	\$2.28	\$4.95 / Cwt.
CAB®	\$1.67	\$2.69
Choice	\$4.82	\$5.24
Select	(\$2.26)	(\$0.15)
Standard	(\$1.02)	\$0.00
Net Premium / Cwt.	\$5.49	\$12.73

\$65.74 / Head Difference

How Do We Move the Needle?

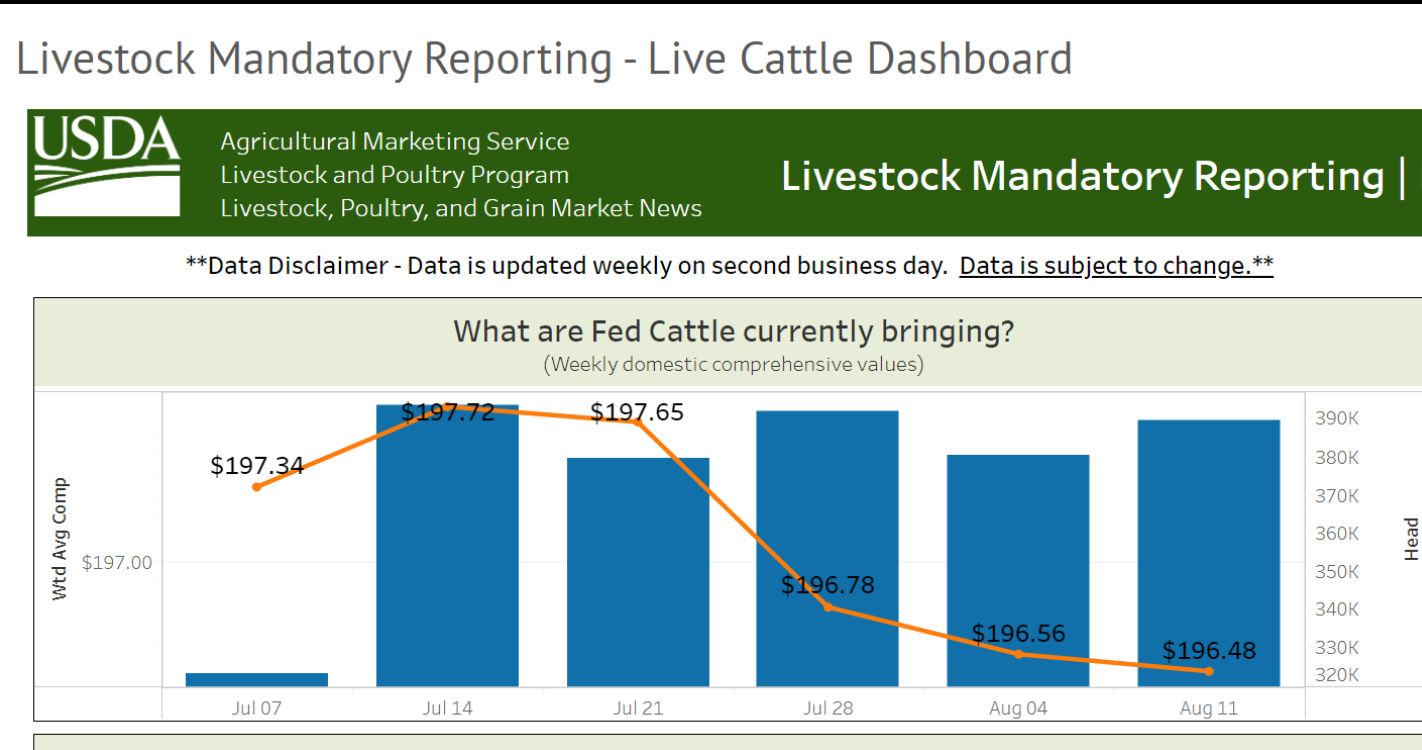


Minimum Genetic Requirements

Marbling EPD (Marb)	+0.65
Dollar Grid Carcass Index (\$G)	+55.0



Livestock Mandatory Reporting - Live Cattle Dashboard | MMN (usda.gov)

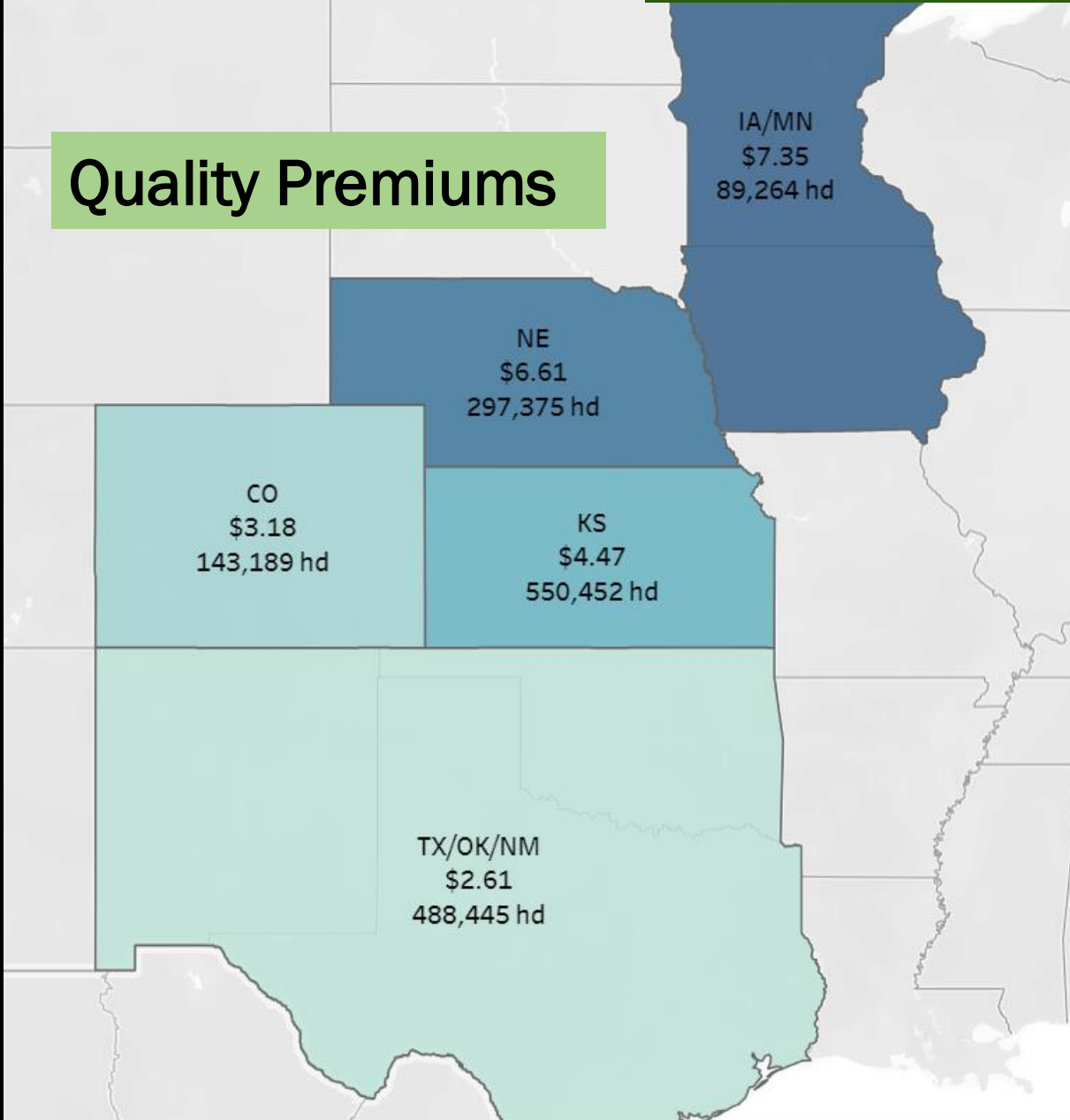


FEEDING QUALITY
FORUM

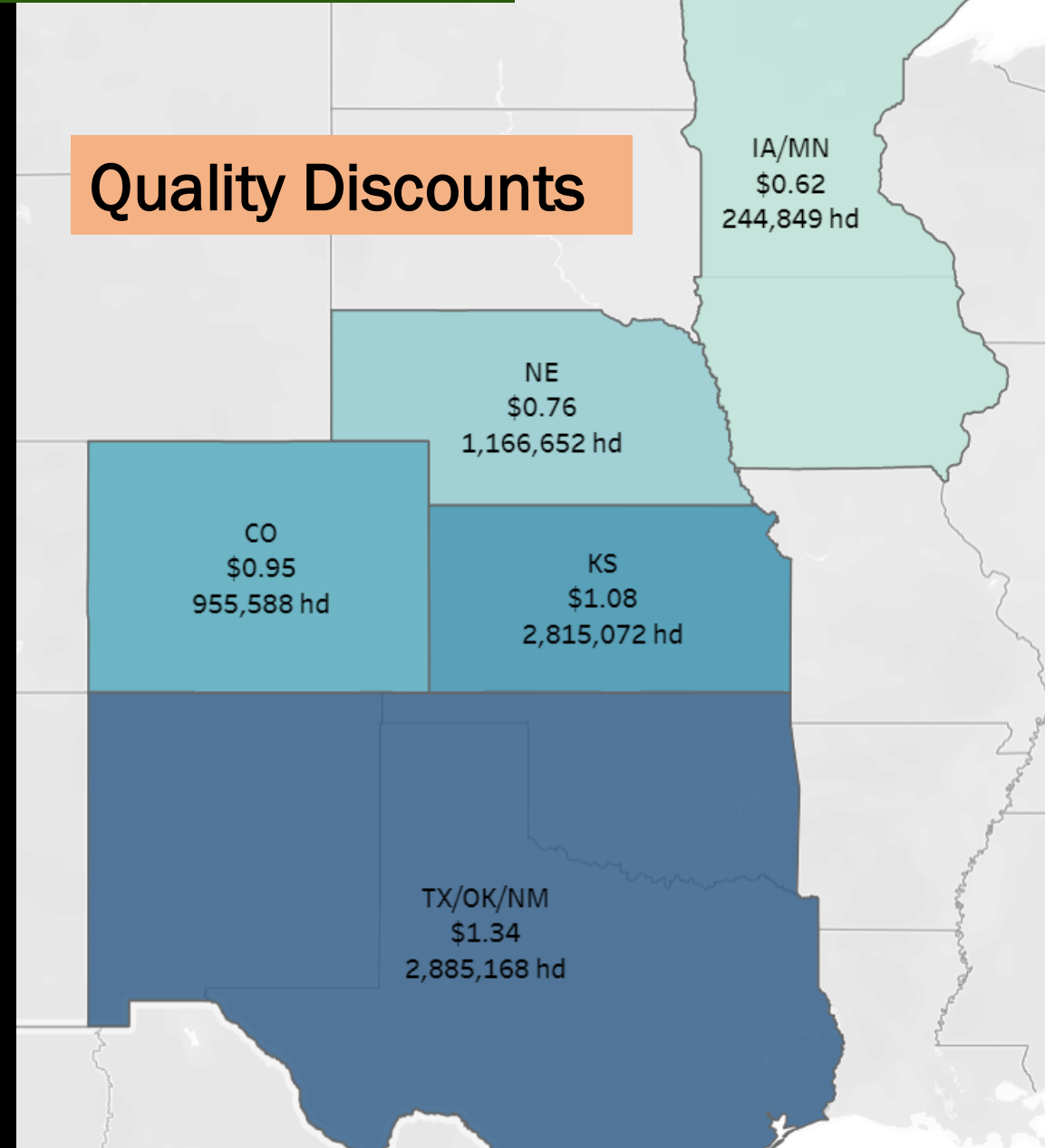
Livestock Mandatory Reporting | Live Cattle

Premiums and Discounts

Quality Premiums



Quality Discounts



Livestock Mandatory Reporting | Live Cattle

Premiums and Discounts

Premiums and Discounts

P/D Category	TX/OK/NM	KS	NE	IA/MN	CO	5 AREA
Yield (Premium)	\$1.30	\$0.88	\$0.69	\$0.50	\$0.88	\$0.99
Yield (Discount)	\$-1.31	\$-1.51	\$-1.70	\$-2.21	\$-1.50	\$-1.51
Weight (Premium)	\$0.43	\$0.55	\$1.45	\$1.09	\$1.19	\$0.86
Weight (Discount)	\$-0.92	\$-0.87	\$-0.62	\$-0.64	\$-0.88	\$-0.84
Quality (Premium)	\$2.66	\$4.48	\$6.42	\$7.38	\$3.20	\$4.34
Quality (Discount)	\$-3.34	\$-1.73	\$-1.92	\$-2.35	\$-2.65	\$-2.48
Other (Premium)	\$6.37	\$4.51	\$7.44	\$11.05	\$9.25	\$6.44
Other (Discount)	\$-0.95	\$-0.65	\$-0.98	\$-0.80	\$-0.93	\$-0.85



FEEDING QUALITY
F O R U M

Formula

Forward
Contract

Negotiated Grid

