



## Securing Beef Demand

Bruce Cobb and Abram Babcock



# Extending Trust with Consumers

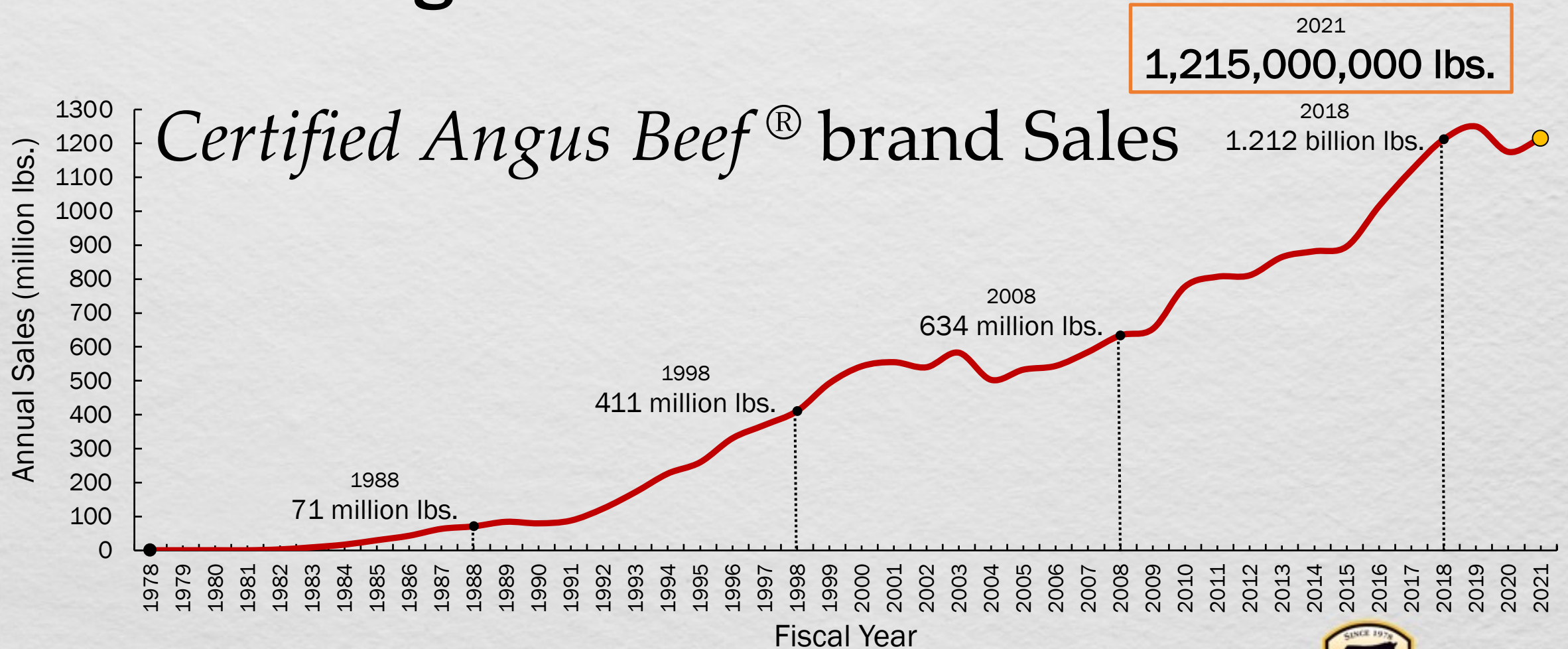
Bruce Cobb

EVP Production, Certified Angus Beef, LLC





# Extending Trust With Consumers



Source: Certified Angus Beef LLC



# Extending Trust With Consumers

## Strategic Intent

Market 1.5 billion pounds and increase brand loyalty 10% by 2025



Capitalize on a passionate, innovative, and collaborative team



*Intentionally align supply chain around broadening consumer demands*



Engage licensed partners and brand champions



Personalized and experiential resources



Tell and sell the brand story

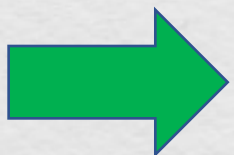




# Extending Trust With Consumers

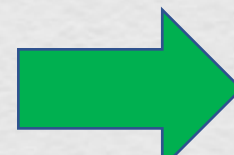
## MARBLING & MATURITY

1. Modest or higher marbling
2. Medium to fine marbling texture
3. Cattle must be less than 30 months of age by dentition and only A-maturity lean



## 10 Specs delivered product performance

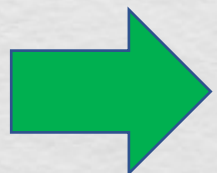
- Taste
- Tenderness
- Consistency



Keep the main thing  
the main thing!!

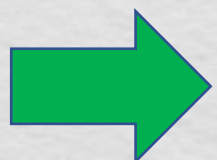
## CONSISTENT SIZING

4. 10- to 16-square-inch ribeye area
5. 1,050-lb. hot carcass weight or less
6. 1 inch or less fat thickness



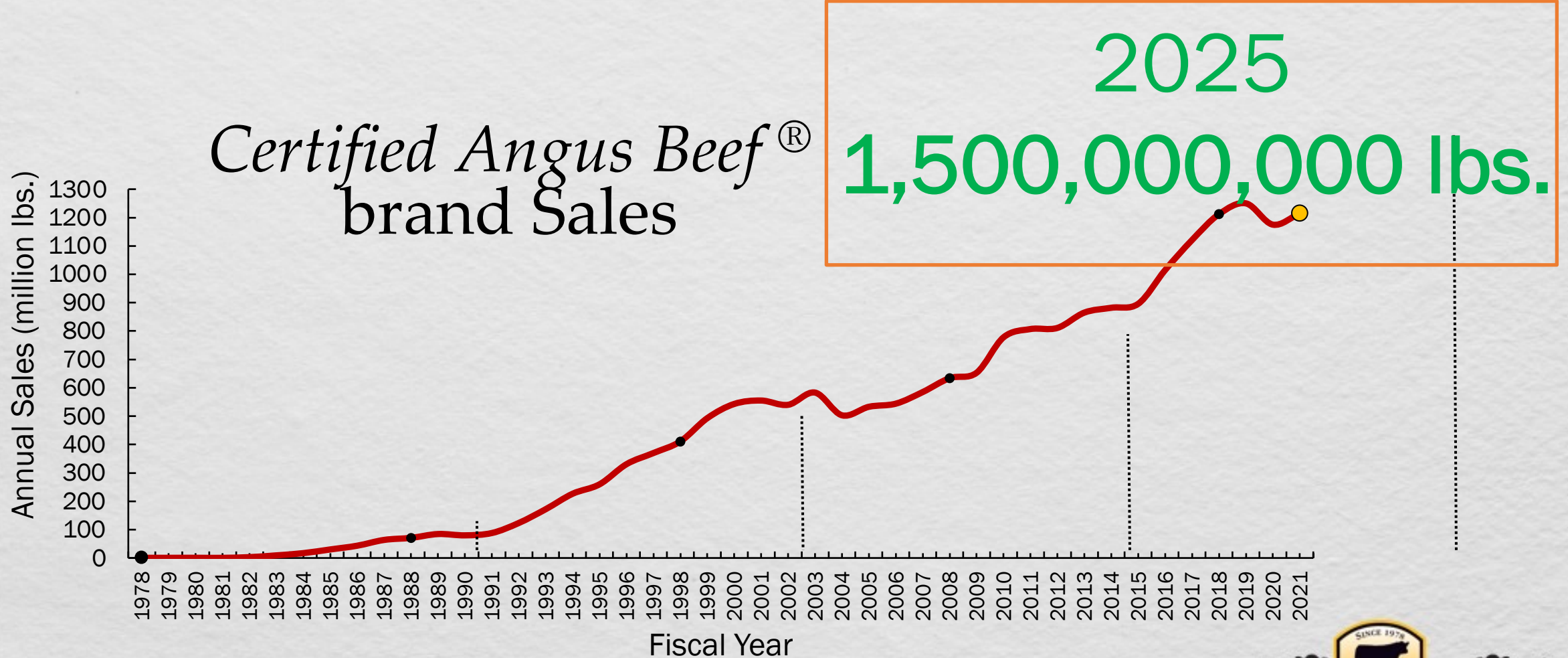
## QUALITY APPEARANCE & TENDERNESS

7. Superior muscling
8. Practically free of capillary ruptures
9. No dark cutters
10. No neck hump exceeding 2 inches





# Extending Trust With Consumers



Source: Certified Angus Beef LLC





# Extending Trust With Consumers

1. Connecting Consumers and Producers
2. Cattle Care Programs
3. Environmental Stewardship
4. Communicate Sustainability with Consumers and Producers
5. Market the brand with a sustainability claim





# Extending Trust With Consumers

## 1. Connecting Consumers with Producers

**Consumers Trust**



**Cattle Producers**





# Extending Trust With Consumers

## 1. Connecting Consumers with Producers



### TAKE A WALK IN THE PASTURE

Have you ever wondered what a farmer does on a daily basis? How cattle are raised and food grown?

A Virtual Pasture Walk at Atterholt Farms in Jeromesville, Ohio, is just what you and your team needs. Mandy Atterholt introduces you to her family and farm in a 15 minute video clip and is available to answer questions throughout the presentation.

Through this training, you'll learn:

- Why farmers choose Angus cattle over other breeds
- What cattle eat to grow and stay healthy
- How farmers balance farming and family
- And much more



Contact your *Certified Angus Beef*® executive account manager or brand manager at 330-345-2333 to schedule.

For a preview of the pasture walk, click [HERE](#) or scan this QR code!



### NOT JUST ANGUS, THE *BEST* ANGUS

Why choose the *Certified Angus Beef*® brand?

- It's the very best Angus beef available
- Started in 1978 by family farmers and ranchers who still back it today
- 10 standards and abundant marbling ensure every bite is tender, juicy and flavorful
- Only 3 in 10 Angus cattle meet its high standards

Learn more at [CertifiedAngusBeef.com](http://CertifiedAngusBeef.com)



The McPeake Family  
Arnoldville, Georgia  
*One of many ranching families raising the very best Angus beef*





## PROUDLY SUPPORTING Michigan Farm Families

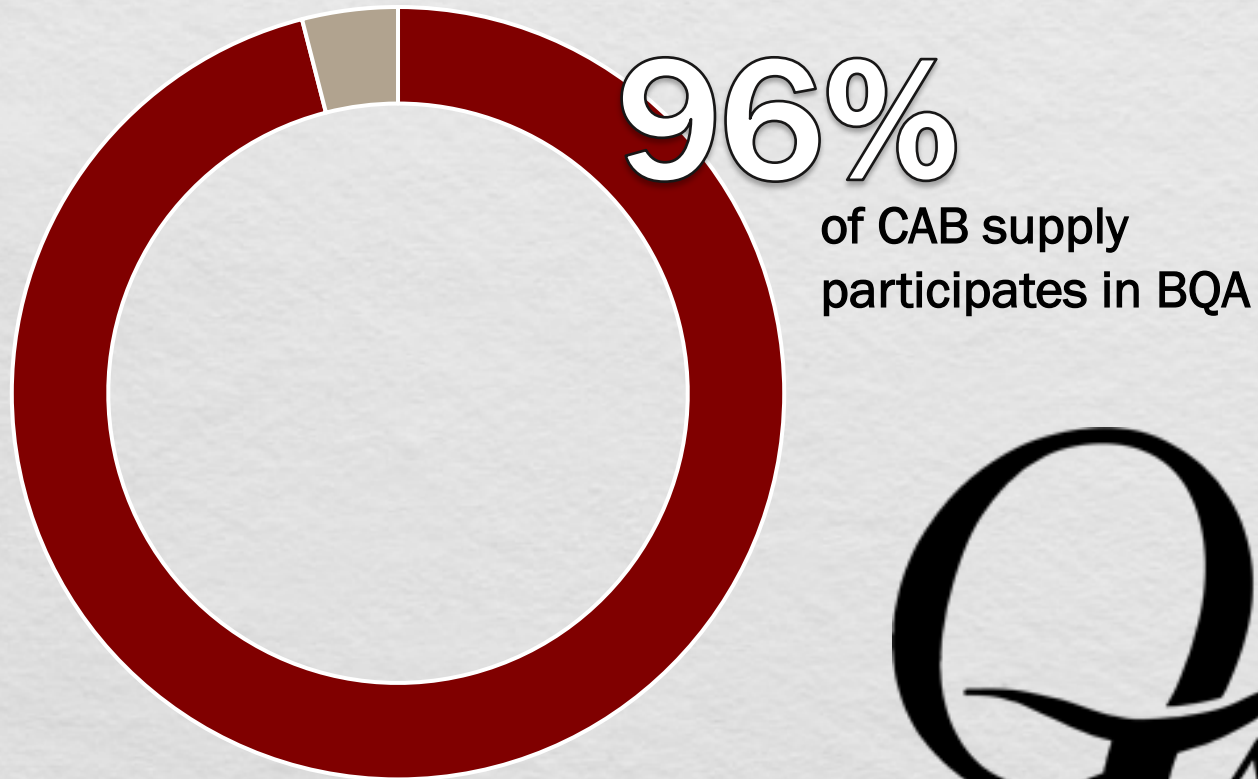
Available at  
**meijer**®

The Boehmer Family  
Charlotte, MI



# Extending Trust with Consumers

## 2. Cattle Care Programs



**Goal:**

Engage all American Angus  
Association membership







# Extending Trust with Consumers

## 2. Cattle Care Programs

**GET BQA'D,  
THEN GET  
BACK TO  
WORK.**

**CUT  
THE  
BULL**

**GET BQA'D**

**STOP  
WAITING FOR  
OTHERS TO  
TELL YOUR  
TRUTH.**

**CUT  
THE  
BULL**

**GET BQA'D**



# Extending Trust with Consumers

## 2. Cattle Care Programs



Kirsten Nickles, Ph.D.

Sustainability and Animal Care Scientist





# Extending Trust with Consumers

## 3. Environmental Stewardship





# Extending Trust with Consumers

## 3. Environmental Stewardship



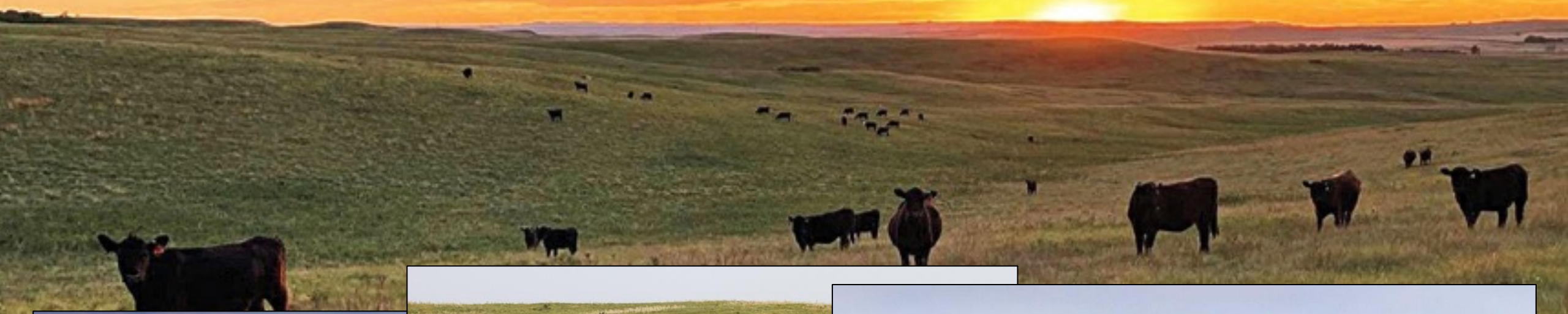
## 4 Rancher-Focused Conservation Programs





# Extending Trust with Consumers

## 3. Environmental Stewardship



Working Grasslands



# Extending Trust with Consumers

## 3. Environmental Stewardship



This is a long-term project: helping more farmers and ranchers and allowing us to tell a story of sustainable beef and conservation of natural resources.





# Extending Trust with Consumers

## 4. Communicate Sustainability with Consumers and Producers





# Extending Trust with Consumers

## 5. Market the Brand with a Sustainability Claim



BEEF RAISED TO A  
**HIGHER STANDARD**



Scan to learn how the  
Certified Angus Beef® brand  
is sustaining family farms  
and preserving the planet.





# Extending Trust With Consumers





# A Cattle Feeders View of Sustainability

Abram Babcock

President, Adams Land & Cattle



**FEEDING QUALITY**  
FORUM



# Agenda

- What is Sustainability from ALCC's perspective
- Who is ALCC and our Commitment to Sustainability
- GHG Projects



# What is Sustainability and ESG?

## ➤ Sustainability for the Beef Industry



Air & greenhouse  
gas emissions



Land resources



Water resources



Employee safety &  
well-being



Animal health & well-  
being



Efficiency & yield

## ➤ ESG (Environmental, Social, Governance)

- Most publicly traded companies in our supply chain are implementing some type of ESG framework

**ESG-mandated assets are projected to make up half of all professionally managed assets globally by 2024**

Global assets under professional management (\$T)

■ ESG-mandated ■ Non-ESG mandated



Note: All amounts are in US dollars.

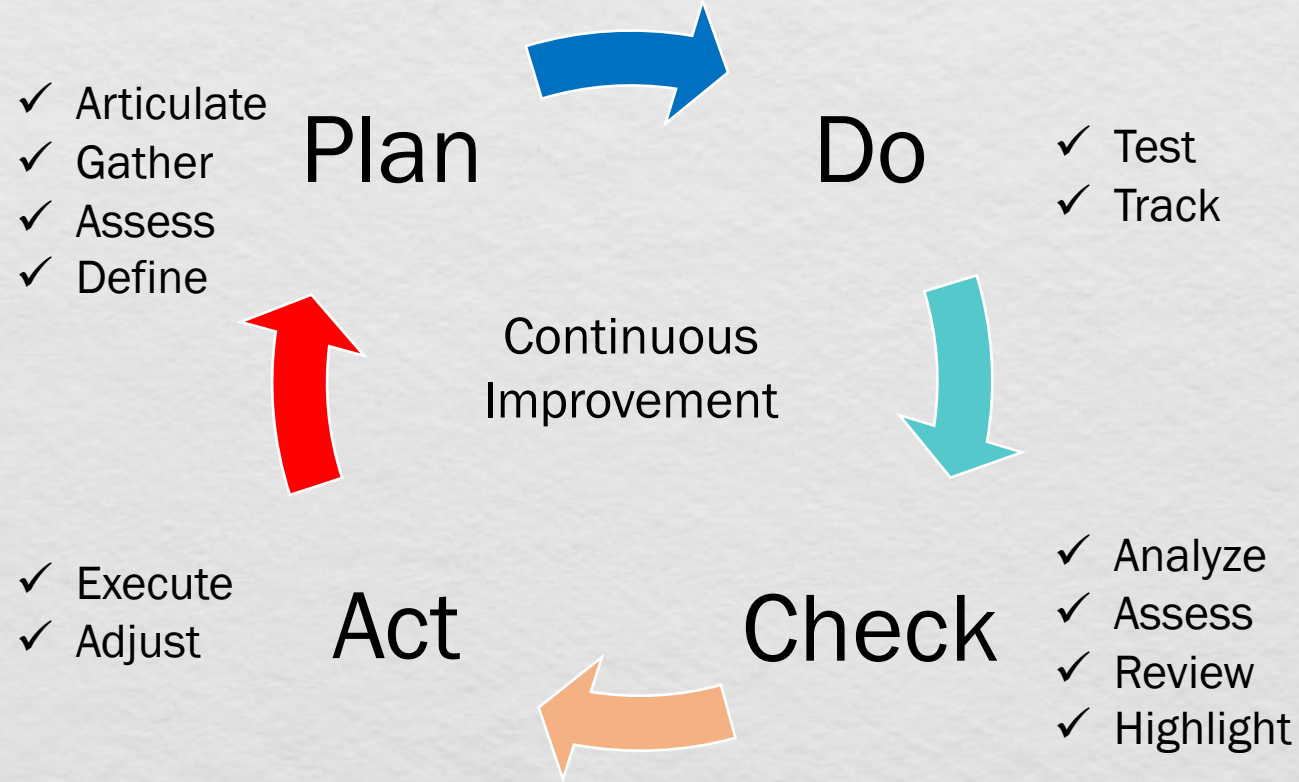
Source: Proportion of ESG-mandated data through 2020 from Global Sustainable Investment Alliance; DCFS analysis through 2025.

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)





# It's about Continuous Improvement





# Adams Land and Cattle: History

- **1951** – Began backgrounding cattle to utilize roughage from farm
- **1973** – Incorporated; Changed to Finishing
- **1990** – Owned 6,000 acres; Reached a one-time capacity for finishing 30,000 head
- **2009** – Capacity to finish 100,000 head; Backgrounding Network capacity of 35,000 head
- **2022** – Capacity to finish 125,000 head in three different Finishing Lots; Backgrounding Network capacity of 110,000 in over 85 locations throughout US and Canada



# Adams Land and Cattle: Our Commitment

**Vision: We are building a business for generations to come**

**Mission: We feed the world high quality, safe, and sustainable beef**



**People and Community**



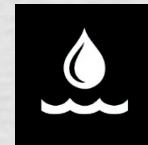
**Animal Health and Well-being**



**Food Safety**



**Efficiency and Innovation**



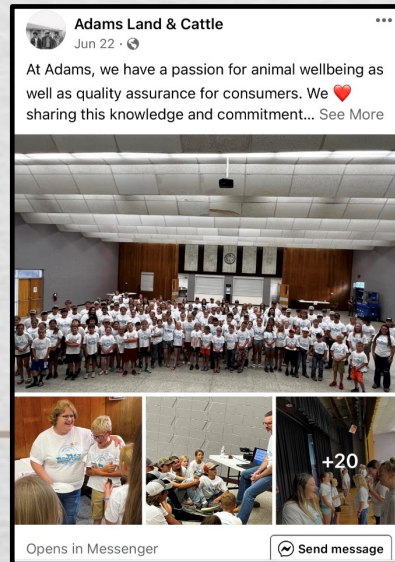
**Environment**





# People and Community

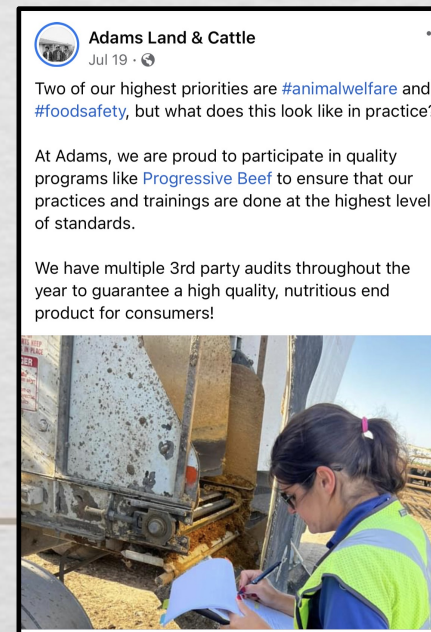
- Safety and training
  - On staff safety and training coordinator, measurements (i.e., recordables, “hurts, safety concerns), third party audits
  - ADAMS University, Lunch and learns
- Employee engagement and Communication
  - New hire lunches, We are ADAMS Champions, department team building, ADAMS afterhours
  - Digital signage and mobile app for employees and spouses
- Community
  - Youth – Interactive Quality Assurance training, 3<sup>rd</sup> grade partner, Food 4 Youth
  - Community initiative – ADAMS compost days, Christmas giving tree, monetary donations, and community engagement (company and employees)





# Animal Health, Well-being, and Food Safety

- Employees, backgrounders, truckers are all BQA certified
- Best practices are third party audited
- Training coordinator to ensure all employees are trained properly
- Cattle are electronically verified to ensure right cattle are getting on right truck and each animal is clear on withdrawals.



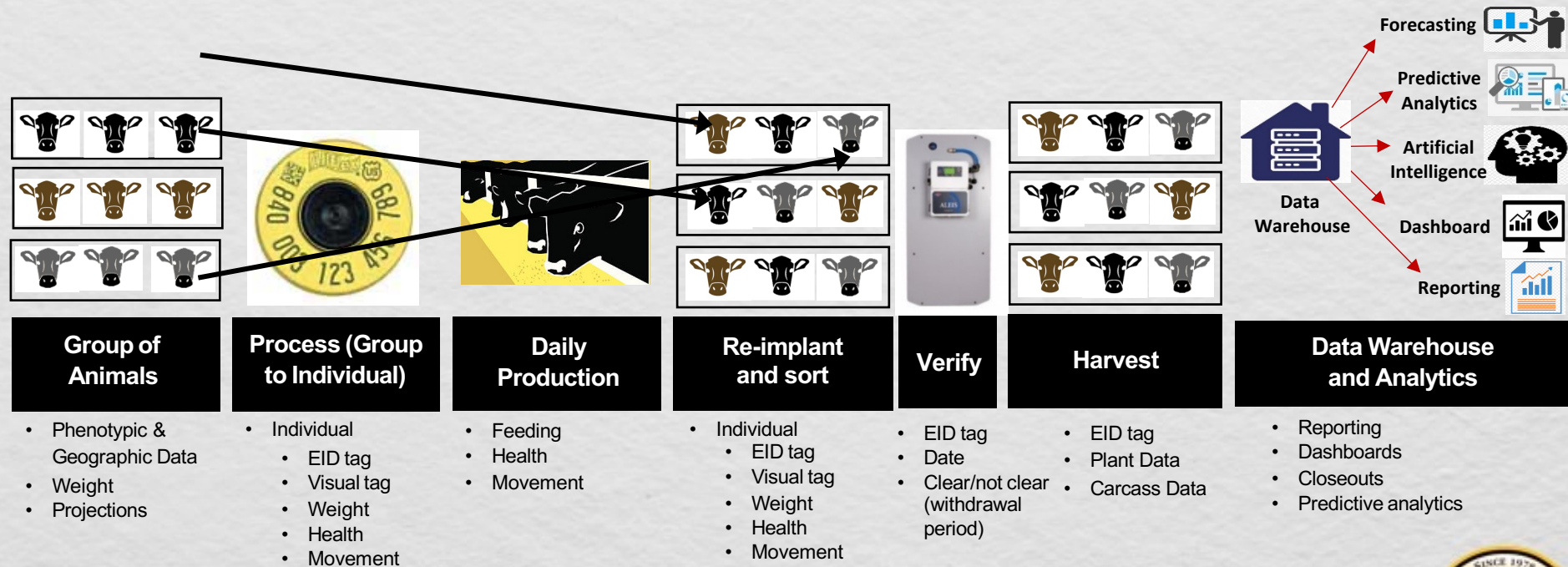


# Innovation and Environment

## DATA STRUCTURE FOR BLOCKCHAIN TECHNOLOGY

### Individual Animal Data Collection System

### Data Warehouse And Analytics






# Calculating GHG Emissions as Cattle Harvest

ADAMS LAND & CATTLE		Sale Date		Location	Age	Gender	Origin	Breed	Color										
		8/2/2021	8/13/2021	All	All	All	All	All	All										
Performance Results vs Projections																			
Location	Pl W	Pay Wt	Targ Wgt	DOF.	P DO F	ADG	P AD G	F:G	P F:G	DMI	P DMI	DL%	P DL %	Act Rlrr%	P Rlr%	Feed/Other GWP100 (kg CO2e)	Total CH4 (kg CH4)	Total N2O (kg N2O)	Total GWP100 (kg CO2e)
-ALCC - Sout...	70	1,506	1,476	243	259	3.44	3.20	6.30	6.87	21.66	21.89	4.34 %	3...	1.6...	1.26 %	3,757	284	0.0040	13,411
-Paul Johnso...	56	1,489	1,476	254	266	3.27	3.16	6.71	6.89	21.94	21.79	4.65 %	3...	1.5...	1.24 %	3,968	294	0.0040	13,948
-ALCC - East ...	61	1,446	1,476	275	304	3.22	3.06	6.17	6.86	19.87	21.02	5.06 %	5...	1.6...	1.66 %	4,067	311	0.0044	14,648
Total	55	1,495	1,476	250	266	3.36	3...	6.41	6.87	21.55	21.78	4.50 %	4...	1.5...	1.29 %	3,850	290	0.0040	13,695
Location	Head.	CW	Yield	Prime %	CAB %	Choice %	Choice + %	YG 1&2 %	YG 4&5 %	Heavy %	Out %	Off %							
-Paul Johnson &...	3,578	938	64.5 %	4.5 %	25.3 %	54.1 %	83.8 %	35.3 %	18.9 %	2.5 %	2.6 %	23.3 %							
-ALCC - South Lot	7,358	949	63.9 %	5.1 %	26.2 %	56.7 %	88.1 %	32.6 %	22.4 %	5.1 %	1.3 %	29.0 %							
-ALCC - East Lot	1,171	911	65.3 %	2.2 %	23.7 %	54.1 %	79.9 %	33.8 %	22.8 %	2.1 %	3.2 %	25.8 %							
Total	12,107	942	64.2 %	4.6 %	25.7 %	55.7 %	86.0 %	33.5 %	21.4 %	4.0 %	1.9 %	27.0 %							
Actuals		Projections		Actuals	Projections	Actuals	Projections	Feed Cost Diff		Rate	Volume								
	Per/Hd	Per/Hd		\$/hd/day	\$/hd/day		\$/cwt												
FeedCost	456.63	545.71		1.83	2.10		54.36		(\$89.09)	(\$62.45)	(\$26.64)								
Yardage	92.08	98.77		0.37	0.38		10.96												
Overhead	33.14	31.19		0.13	0.12		3.95												
Processing	28.33	28.85		0.11	0.11		3.37												
Treatment	3.21	5.72		0.01	0.02		0.38												
Reimplant	9.65	7.64		0.04	0.03		1.15												
Freight	33.94	30.18		0.14	0.12		4.04												
Interest	21.03	25.72		0.08	0.10		2.50												
Railer	16.36	10.56		0.07	0.04		1.95												
Mortality	60.23	52.43		0.24	0.20		7.17												
Total	754.60	828.35		3.02	3.22		89.84												
Ing_Type	PM Cash Corn Price	Adj_Price	PM Ration Vs Corn Eq %	Act Ration Vs Corn Eq %	Ingredient_Type	PG Basis	Act Basis	Basis Diff											
Grain	4.34	4.04			Grain	\$0.04	(\$0.27)	(\$0.30)											
ByProduct	4.34	3.89			ByProduct	\$0.04	(\$0.41)	(\$0.45)											
Other_Ingre...	5.35	3.93			Other_Ingredients	\$1.06	(\$0.36)	(\$1.42)											
Ration_Corn...	4.55	3.99	104.92 %	98.86 %	Ration_Corn_Eq...	\$0.25	(\$0.31)	(\$0.56)											
Beta-Agonist	1,356.61	1,410.90			Beta-Agonist	\$1,352.28	\$1,406.57	\$54.29											
Total	4.61	4.05	104.92 %	98.86 %	Total	\$0.31	(\$0.25)	(\$0.56)											



# Calculating GHG at Individual Animal Level



Sale Date

8/2/2021

8/13/2021

Location

-ALCC - Sou... ▾

Lot Number

p317 ▾

Gender

All ▾

Origin

All ▾

Breed

All ▾

Color

All ▾

## Performance Results vs Projections

Location	Head	DOF.	P DOF	ADG	P ADG	F:G	P F:G	DMI	P DMI	DL%	P DL%	Feed/Other GWP100 (kg CO2e)	Total CH4 (kg CH4)	Total N2O (kg N2O)	Total GWP100 (kg CO2e)
Slaughter3	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880
p317	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880
985152017987754	1	284	214	2.16	3.43	11.07	6.88	23.86	23.61	3.23 %	1.64 %	3,990	327	0.0039	15,123
985152017987818	1	284	214	2.50	3.43	9.56	6.88	23.86	23.61	3.23 %	1.64 %	3,990	328	0.0041	15,134
985152017987835	1	284	214	2.61	3.43	9.13	6.88	23.86	23.61	3.23 %	1.64 %	3,990	328	0.0041	15,138
Total	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880



# Sustainability Projects

- Green House Gas Emissions in Cattle Production
  - Building an Inset Supply Chain that's both climate-friendly and customer-friendly
    - Where we'll pay premium for cattle and for best practices
    - Providing individual animal production and carcass information back to the producer
    - Using CattleCom to calculate supply chain emissions
- Product launch October 2022



# Sustainability Projects

- Applied for a large grant through USDA's Partnerships for Climate-Smart Commodities
- Title: Nebraska Sustainable Ag Initiative
  - Partners
    - Aksarben Foundation, First National Bank of Omaha, Farm Credit Services of America, CoBank, Pinnacle Bank, Valmont Industries, Adams Land and Cattle, Certified Angus Beef, Midwest PMS, University of Nebraska, Dr. Greg Thoma
  - Objective: To develop, test, refine, and bring to scale a sustainable framework for promoting the expansion of climate-smart practices across the beef industry
    - Program LCA models built by Dr. Greg Thoma into CattleCom
    - Leverage Valmont Smart Poles to monitor yard level GHG emissions and animal behavior/movement
    - Provide 250 feedlot with software and hardware to be early adopters of the technology
    - Aksarben will work closely with CAB to develop viable national and international markets for climate-smart beef

