

A Clear Signal for case-ready Products - Limousin establishes lead in Muscle Growth Efficiency

By Clifford Mitchell

The Limousin breed has always been known for its ability to turn inputs into pounds of red meat. With the unveiling of case-ready products, Limousin genetics add a whole new meaning to the word efficiency.

Limousin advantages in efficiency are well documented through data gathered at the U. S. Meat Animal Research Center in Clay Center, Nebraska. This data shows the Limousin genetic advantage in turning inputs into pounds of red meat, which should bode well for the 21st century beef industry.

"Because Limousin had a higher dressing percentage, higher percentage of retail product and lower percentage of bone than the other breeds, it was the most efficient in measures of efficiency where the endpoint was retail product gain,"-MARC 1999.

Case-ready is a new word in the vocabulary of many cattlemen, but this evolution started with an economic signal being sent to the beef industry by Wal-Mart.

"I don't know if the economic signal has been sent to the beef industry just yet. I think the beef industry is looking long term and we are a company known for our reputation," says Jessica Moser, a Wal-Mart spokesperson. "Case-ready provides the product our customers are looking for. We feel it is the highest quality product we can provide."

Case-ready adds a whole new dimension to Wal-Mart's meat department. Marketing beef in this manner also adds an element of customer service.

"Case-ready products allow our meat department staff to be out front helping the customers. Stocking the meat case in this manner also allows us to keep better track of what's selling," Moser says. "We can have specific products in stock for our customers. We have always tried to make things easy for our customers, we'll continue to focus on this with our case-ready products."

The industry has seen continuing rise in demand for beef products; however, there is still a safety issue, because society does not know where to put its trust. Case-ready products add the safety element of beef.

"One of the great benefits of case-ready products, is they are packaged once and not opened again until the customer gets home," Moser says.

With the nation's third largest meat retailer, Wal-Mart, sending the economic signal for case-ready products, the industry is looking for ways to identify higher yielding cattle accurately using technology like Video Image Analysis (VIA). This technology will help transmit more accurate data up and down the production chain more efficiently, to help identify genetics that are the most suited for case-ready production.

"Case-ready products will not only change the type of cattle the industry is feeding, but also the target we aim at," says Dr. Bill Mies, Texas A&M University. "The industry will also face a mixed bag of confusion in the next five to seven years as the industry makes the transition to case-ready."

One of the main reasons, according to Mies, the industry will face a lot of confusion is because of the time and expense incurred by the packing industry to change production to case-ready.

In the future, a Select YG 2 carcass may very well be worth more than a Choice YG 3 because of the advantage in red meat yield and case-ready product. Case-ready promises to change the value proposition of yield and quality grade.

Cost of producing case-ready products is a significant factor as the beef industry moves from commodity products to case-ready brands.

"Case-ready processing floors will cost about \$50 million each. IBP has two of these under construction, which will service only a portion of the WalMart demand," Mies says.

Improved efficiency and increased demand will offset these costs, as the industry makes the transition from the box to the meat counter.

With feeder supplies growing smaller as the market approaches a typical upward cycle in the rebuilding phase of America's cowherd, packer margins are growing tighter. With costs of \$4.4 billion dollars to feed on and trim off excess fat, the days of the race-track rinds of fat are over. According to Mies, packers will have to absorb trim losses as cuts of beef are packaged ready for consumer appraisal, they won't be able to hide them in the box.

As the VIA technology is more widely implemented in packing plants, the Choice-Select spread is anticipated to become an antiquated measure of carcass value. VIA will not change the Choice/Select spread, but it will allow cattle to be paid for more accurately on the basis of red meat yield.

"It used to be the big payoff was the Choice-Select spread. In the future, cattle feeders will feed to a yield grade, with the big break between YG 2 and 3. Yield Grade 3 cattle are too fat for the case-ready products," Mies says. "The industry will target primarily YG 1's and 2's, with increased emphasis on yield grade."

For several years the beef industry has seen a shift to a British x British cross calf crop. Quality grade driven grid markets paved the way for this fad of lost efficiency, chasing the premiums offered for the Choice grade. Relatively cheap corn prices lessened the blow to lost efficiency, but case-ready will change breeding programs across the land. In order to capture lost efficiency dollars, crossbreeding programs have to be reinvented, targeted to the right blend of Continental and British genetics to meet end-point markets for case-ready products.

"We'll see a shift from some straight English to more of a 50% British and a 50% Continental cross," Mies says. "The straight English cattle are too prone to hit YG 3. A 50/50 mix will hit a more desirable yield grade target."

Which leads to the issue of the industry perception that marbling is synonymous with carcass "quality." Carcass "quality" entails a much larger scope than a quality grade when packing companies bear the expense of trim loss. With case-ready packaging, leaner carcasses with less outside and seam fat, will be the most profitable.

The 2001 National Beef Quality Audit reveals several figures that denote lighter muscled less efficient cattle in the feedlot. Compared to 1995, 2001 saw heavier carcasses, less desirable yield grades, less ribeye area per carcass cwt. and increased fat thickness. There have been less instances of poor eating experiences due to feedlots learning how to better manage the cattle they are feeding and technology used by the packing industry to eliminate palatability problems. The best way to improve yield grades, decrease fat thickness and increase ribeye area per hundredweight is by using and more effectively managing the right genetics.

Crossbreeding with Limousin genetics offers such benefits. The first step in positioning your herd to fit the case-ready market should be balancing the composition of British vs. Continental genetics in your next calf crop. This will enhance the product and create that blend of 50% Continental and 50% British genetics feeders and packers are looking for, with the added benefits heterosis brings to production.

"Most planned crossbreeding is smart, but what's the best cross"? says Dr. Kent Andersen, NALF Executive Vice President. "Limousin bulls are the best cross on British based females, because the right Limousin genetics will add muscle and increase cutability, decrease fat thickness, improve efficiency to case-ready endpoints, maintain moderate birth weights and mature size."

The case-ready revolution demands performance all the way to the meat counter. Appropriate carcass weight and portion size, case-ready yield and true palatability will drive the bus in the 21st century.

Limousin is the largest Continental breed registry in the United States. Limousin is the leader in Muscle Growth Efficiency and is the ideal complement to British cross cows. For more information, contact www.nalf.org.