Beef Industry Boards Quality Management Bandwagon

ENGLEWOOD, Colo. — The Beef Quality Assurance Program expanded its focus at a Beef Quality-Assurance State Coordinators Seminar in Memphis, Tenn.

Speakers from Federal Express, the 1990 winner of the prestigious Malcom Baldrige Quality Award, joined beef industry experts to discuss ways to create a total qualtiy management environment within the beef industry. A total of 27 of the 37 states participating in NCA's beef quality-assurance program sent producers and staff to the seminar.

All the speakers talked of the importance of aligning customer needs with supplier services and providing top-notch service that

not only meets customer expectations but exceeds them.

Cattlemen are interested in quality programs because the cattle industry is attempting to streamline its efficiency in production in order to provide a more consistent end-product to retailers and consumers at a lower price as a means of increasing market share.

NCA Quality Assurance Task Force Chairman Mike Bowles said, "The beef industry must head toward a total quality management program because we have market share and consumer perception of our product at stake.'

Price, NCA director of economics Chuck Lambert told those attending, is a big part of beef's perception problem.

"Historically, the beef industry has focused on price and production. 'Topping the market' and receiving the 'high dollar for the day' surely have their roots in bragging rights in some prehistoric stockyards coffee ship," Lamber told seminar attendees. He said the beef industry has focused on achieving high prices and high production levels and hoped high profits would follow. That doesn't necessarily happen, Lambert said. because too often high production costs have eroded margins.

An NCA analysis of cattle operations nationwide conducted using standardized performance analysis found that the average cattleman has a pretax income per breeding cow of only \$7.58, while the range is a loss of \$522.21 to a return of \$192.15.

"Clearly, there is room for improvement," Lambert said.

Dr. Gary Smith, head of animal science at Colorado State University and project leader for the national beef quality audit, said the audit demonstrated that there is plenty of room for cattlemen to improve the bottom line. The audit found that cattlemen give up an average \$279.82 per head in lost opportunities throughout the production chain.

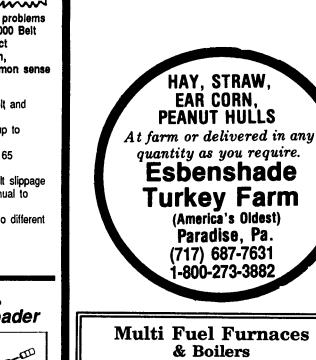
The principal opportunities for improving margins come from reducing excessive external fat, decreasing excessive seam fat, improving overall cutability and improving understanding of the value of closer-trimmed product, the audit found. These factors combined account for industrywide losses of \$219.25 per head of fed cattle, Smith said. Other areas where there is room for improvement include enhancing taste, improving management efficiency and controlling weights.

'We can recoup these losses if all segements of the industry work together with common goals in mind," Smith said.

Dr. Bill Mies, a cattle-feeding specialist with Texas A&M University, elaborated on what cattlemen must do to achieve better bottom-line results.

'We are entering into a new era in the beef industry. In the past we were very regionalized and segmented by the type of production we did. We must understand in order to survive as any segment, we've got to think about the total quality of the product throughout the entire system. In other words, the cow-calf man must be aware of what quality means to a feedyard operator, or the packer, the retailer and our ultimate customer, the consumer," Mies said. "Even though we may do different jobs, we are one industry, producing one product, and we must all take responsiblity for that product."

Mies also presented 14 points developed by total quality management guru Dr. W. Edwards Deming and explained how they could be adapted for the beef cattle industry.



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