

Price, Quality Factors Hurt Beef Consumption, Says Meat Specialist

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the 150 cattle producers and industry representatives present.

Decline in consumption

Smith noted the decline in beef consumption, since its heyday in 1976 when the average amount of beef consumed was 94.4 pounds per year. Compare that to 67.2 pounds in 1992.

The rise in poultry consumed (from 52.2 pounds in 1976 to 84.3 pounds in 1992) has contributed to the decline in beef consumed, because it is simply less expensive to produce and the quality controls have been better.

In a 1992 survey conducted by the National Broiler Council with 50,000 consumers, 76 percent of those polled said it was the price that made them buy poultry over other meat products. Simply put, according to Smith, the price of beef is greater than many consumers are willing to pay.

However, the NCA audit, conducted in 1991 and completed April 15 of last year, conducted face-to-face interviews with 107 key people in the industry. They included packing plants, supermarket representatives, and a whole array of industry representatives.

High on the list were purveyors (those who sell the meat) and restaurateurs (chefs, owners of fast food restaurants, and others). The top 10 concerns related to quality from the restaurateurs included:

- Excessive exterior fat. Trim size should be about 1/4 to 1/2 inch, and no more.
- Injection site blemishes. Some of them were the size of baseballs, but many golf ball size, most notably in the top sirloin cuts.
- Too large of ribeyes and loin eyes.
- Too much seam fat and too much fat in the muscle.
- Lack of uniformity in the meat. Smith calls this the "Crack-crack" syndrome, named after the popcorn treat that promises a surprise in the package, "and you don't know what the surprise is," he said.
- Low overall cutability, or too much bone-to-muscle ratio.
- Dark cutters — dark, damaged meat.
- Low overall palatability and inconsistent tenderness.



Beef simply costs too much, and what consumers are getting they're not satisfied with, for quite a number of reasons, according to Dr. Gary Smith, professor of animal science at Colorado State University. Smith presented his findings on the recently completed National Cattlemen's Association Audit at the Cattle Feeder's Day on Tuesday at the Farm and Home Center.

• Bruise damage. Bruises from mishandling while loading and unloading cause too much bruises in the flank and loin areas.

• Insufficient marbling. Not enough marbling to allow for palatability in the meat.

Many restaurateurs had to use "jaccard" machines — devices to make meat tender, according to Smith.

Packer concerns

Packer concerns (according to representatives from IBP, Excel, and Monfort/Con-Agra) were also asked the same questions. They provided the following responses about what was wrong with the beef they'd been seeing:

- Hide problems, including branding and implant damage.
- Injection-site blemishes which caused excessive muscling damages.
- Excess carcass weight, which produced excessive cut weights in the rib and loin areas.
- Bruises from mistakes in handling.
- Implant damage, which causes tougher beef.
- Liver condemnations from bacteria traveling from rumen to bloodstream.
- Insufficient choice cattle, with less deposit marbling than years ago.
- Too many yield grade #4 and #5 carcasses.
- Lack of uniformity of any kind, or too many of each kind.
- Dark cutters.

Kill floor and cooler personnel also contributed concerns related to too much bruising, liver condemnations, tripe, tongue, head, shoulder, side, and other condemnations.

Conclusions reached by the audit determined that cattle producers need to consider getting rid of waste fat, but to keep the taste fat. Packer quality conclusions (from Monfort/Con-Agra) determined that upward of \$280 is lost for every single slaughter steer or heifer sold in 1991 for all the problems listed above.

As a result of the audit, the conclusions were simple, according to Smith. Producers and packers need to attack waste, enhance taste, improve management, and control the cattle weight. Topmost is weight control, according to Smith.

"We've got to control those weight problems," he said. "We've gotten them too big and we've got to do something about it."

Presented findings

A workshop conducted in Colorado which presented the findings outlined 10 specific strategies for producers and packers. Those include make trim size 1/4 inch, change live carcass: price logic, keep heat on cutability ("sell this, communicate this," said Smith), go after management practices that create nonconformity, eliminate



biological types of cattle that fail to conform, instill quality based marketing, repeat the audits, and others.

Topping the to-do list is handling the excessive fat. "We've lost the war on fat," said Smith. "We've never had an argument about the war on fat."

As part of the strategies, packers have instituted the CARDS (computer-assisted retail decision support) system to keep the heat on meat cutability. Stores, retailers, producers, and beef quality assurance programs in several states have involved many in the industry to attack these problems.

Smith spoke about a recent partnership conducted with several private producers. In Oberland, Kan., Decatur County, 1,253 cattle will be sent to the Excel packing company in Dodge City, Kan., and sent to stores in Denver, Colo. early in June this year as part of a privately funded venture to test the results of the audit, according to Smith.

Ultimately, producers need to become involved in this war. Smith told them they must ask themselves, "What do you bring to the table? We have to build something they'll come to and that they'll come back to again and again and again and again. This represents a tremendous success story of what the industry can do if we work together."

Smith also spoke about the recent problems with alleged E. coli poisoning, out in the West, from a major fast food chain. Much of the problem related to that was reported in a major paper as "undercooked beef," said Smith, emphasizing how much damage that a single workperson can cause by not following proper sanitary procedures and proper cooking times for beef.

He also emphasized the excessive media attention given to so-called problems regarding pesticides in meat, when "God put in plants their own natural pesticides," he said, which far outweigh any of the minuscule amounts that were found in few examples of much of the meat tested over the years.

Feeder prices

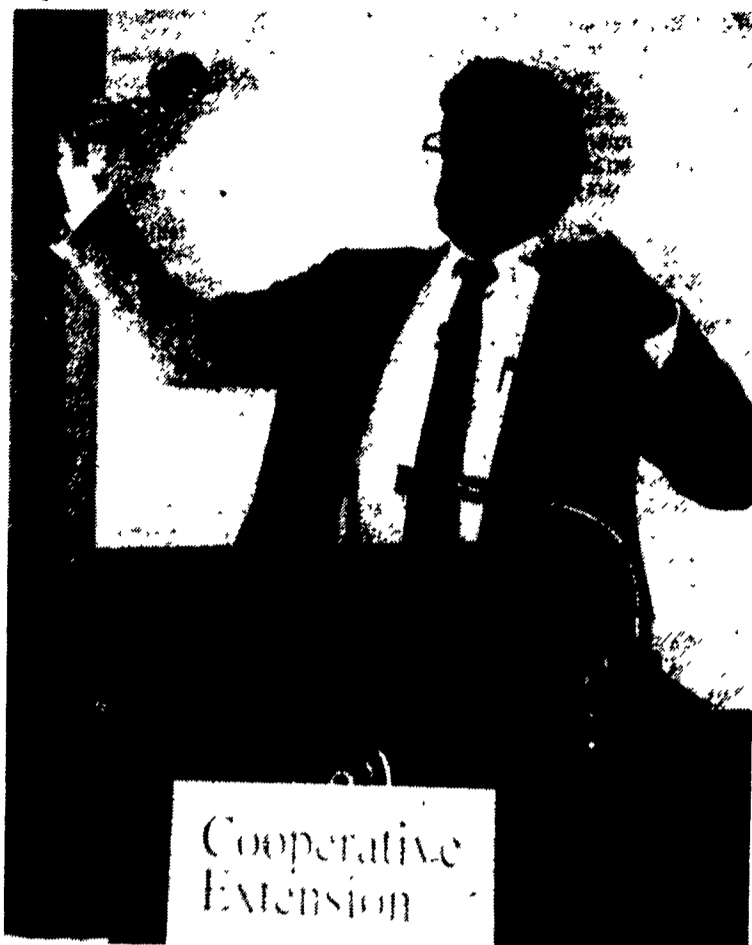
Cattle feeders can expect steady to declining prices for their product through the remainder of the year because of inexpensive feed and a general overproduction of beef, according to a Penn State economist.

H. Louis Moore, Penn State economist, presented his outlook for cattle feeders.

Moore said negative factors, including a new president, the building recession in Europe, a \$400 billion national deficit, the stalling of GATT talks, the lowest consumer confidence rating for a president since records were kept in 1952, and slow growth means the recovery will last all year.

Good news is that the U.S. will lean over backward to sell grain to the former Soviet Union. Our only fault is agricultural's excess capacity, which may be a negative factor.

The good news for feeders is that grain will be relatively inexpensive, because of record harvests in the U.S. in corn (9.48 billion bushels in 1992, the largest ever) and 2.46 billion bushels of wheat (one of the largest ever), and 2.20 billion bushels of soybeans (the second largest ever). Pennsylvania corn yields totalled 111.6 million bushels, a record year. Carryover for September of



Ted Perry, beef cattle extension associate from Cornell, provided an implant update at the Cattle Feeder's Day.

1993 will be 2.154 billion bushels of corn, 523 million bushels of wheat, and 310 million bushels of soybeans. The record domestic use of corn will weigh on markets, cutting price to cash croppers but allowing feeders to purchase corn at inexpensive prices. Moore predicts inexpensive feed through next year.

Moore says it pays to be optimistic, despite some astounding statistics:

- We lost 56 percent of our hog farms over a 10-year period, from 1981-1991.

- At the current rate, there will be only 5,000 decision makers in hog production by the year 2,000. (This may be attributable to the growing number of contract operations.)

- No cattle kill data from Illinois, Michigan, or North Carolina. USDA allows the packers to keep from distributing data when only one or two packers control the kill in each state.

- Seven plants kill a total of 26.5 percent of the cattle.

- Although the good news is that consumers continue to spend more on eating places, the trend will start to decline.

There is excess capacity of meat, and broiler consumption continues to grow. There is simply too much meat on the market now, although herd size will increase 1 percent a

year. In 1992 along, beef made up about 34.6 percent of the meat supply, at 23.2 billion pounds. (Broilers, on the other hand, made up 30.9 percent of the beef supply, at 20.7 billion pounds.)

Projected beef production will be up as high as perhaps 2 percent, according to Moore, for 1993, due to the inexpensive feed. Pork will increase upward of 4 percent, and broilers about the same. Turkeys will increase 2 percent this year.

This year should mark a record for meat production and consumption, according to the economist. But prices may already have hit their peak for the year. Futures obtained by Moore on Jan. 29 this year show a February price of 77.50, 76.85 for April, 72.52 for June, 71.40 for October, and 71.17 for Feb. 1994.

Moore said he is "guardedly optimistic about the industry for the year ahead," with prices about \$3 less than they are right now for producers in the Mid-Atlantic region.

Also at the Feeder's Day, Dan McFarland, Penn State ag engineer, provided a rundown on retrofitting ventilation systems for barns. Ted Perry, beef cattle extension associate from Cornell, provided an implant update. Also, Robert Anderson, extension agronomist, spoke about mixing site safety.



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