One BILLION pounds...
NON-PROFIT arm of the American Angus Association

17,000+ licensed packers, processors, distributors, retailers and restaurants in 50 COUNTRIES

OVER 1 BILLION pounds sold

$50 MILLION paid to cattlemen each year
Consumer Expectations of Beef Have Changed

In 2000 Beef was:
- 7% higher than Pork
- 78% higher than Chicken

In 2016 Beef was:
- 53% higher than Pork
- 202% higher than Chicken

Source: USDA Economic Research Service, 2017
Consumer Satisfaction Improves with Marbling

Source: Colorado State University
Driving Value Differences

*Assuming 900 lb HCW & 2016 cutout values*
CAB® Brand Premium over Choice

2010

Total +4%

source: Urner Barry; Compared to USDA Choice

2016

Total +7%

Source: Urner Barry; Compared to USDA Choice
Certified Angus Beef® Brand Sales
A Brand’s Value Proposition
Our beginnings were humble. A group of family ranchers determined to create a brand of beef where every cut was incredibly juicy, supremely tender and full of flavor. The result was the Certified Angus Beef® brand, a brand we're proud of that we haven't changed in nearly 40 years. We're still a group of family ranchers who want nothing more, and nothing less, than to create the best Angus beef ever made.

Certified Angus Beef® brand. From our family ranchers to your family table.

It's how my signature dish became my signature dish.

One of the best ways for me to create a new dish is to combine my expertise with the finest ingredients available. Using Certified Angus Beef® brand steaks and steaks in any dish that I make. It's perfectly marbled and lean. It's an excellent source of优质 protein. By selecting a cut that is just right for a flavor, texture and color. My new dish is not just making a dish, it's making memories.

Chief
Peter Shambaugh
His philosophy: "Simple and classic."

No ideas and tips for making a dish with the best beef, visit CertifiedAngusBeef.com.
The Culinary Center

Built on Quality

Since its start in 1978, the Certified Angus Beef® brand’s reputation has been built on quality. “Good” just isn’t good enough for the chefs, butchers and beef lovers who count on it to exceed expectations. With this passion for flavor and a spirit of discovery, the brand opened the doors to The Culinary Center in 2011 – a state-of-the-art facility designed to support business-to-business programs and events.

Learn More

To learn more about The Culinary Center and opportunities for your business, visit CertifiedAngusBeef.com.
Global Opportunities
CAB® Brand International Sales

☑ Represents 14% of total sales
☑ YTD sales up 28%
☑ 5 countries represent 80% of business


- 138.9 M
- 90.4 M
- 32.9 M

Increase in sales from 1984 to 2016.
## Business by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>2016 Tonnage (lbs.)</th>
<th>% Total Business</th>
<th>% Middle Meats</th>
<th>% Change Over 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>39.5 M</td>
<td>26.6</td>
<td>44.6</td>
<td>-0.9</td>
</tr>
<tr>
<td>Japan</td>
<td>31.0 M</td>
<td>20.9</td>
<td>6.4</td>
<td>+153.7</td>
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<tr>
<td>Mexico</td>
<td>23.2 M</td>
<td>15.6</td>
<td>24.4</td>
<td>+16.7</td>
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<tr>
<td>Hong Kong</td>
<td>13.7 M</td>
<td>9.2</td>
<td>23.8</td>
<td>+60.6</td>
</tr>
<tr>
<td>S. Korea</td>
<td>11.5 M</td>
<td>7.7</td>
<td>2.9</td>
<td>+14.3</td>
</tr>
</tbody>
</table>

Calendar year
Considerations with Going Global

• Market access
• Currency exchange
• Language and societal differences
• Duties and taxes
The Cost of Access - Japan

Example: CAB® Chuck Eye Roll

• Purchase price $3.70/lb
• Shipping (Sea) $.04
• Landed cost $3.74/lb
• Duty (38.5% X $3.74) $1.44
• True cost for importer $5.18/lb
  – Importer margin (7.5%) $0.39
  – Distributor margin (15%) $0.84
• Restaurant cost $6.41/lb

+73% over first-cost
Considerations with Going Global

• “Global ripples”
• Trademark protection
• Relationships
• Product position and mix
7,000 Y / 100g
$283 / pound
Thank you!