

CONTACT: Randy Irion 312-670-9403 ririon@beef.org
 Caroline Ahn 773-276-9712 c.ahn@midanmarketing.com

Customers Find Value in Beef Value Cuts

The Beef Checkoff Announces Success of New Innovative Cuts

DENVER (June 14, 2007) – Retailers are making room in the meat case for Beef Value Cuts (BVC). Beef Shoulder Top Blade Steak (Flat Iron) and Beef Shoulder Petite Tender have experienced tremendous growth since their 2003 retail launch, according to FreshLook Marketing.

These two cuts, as well as six others, make up the full line of BVCs and are a result of a new cutting technique developed by the beef checkoff's Muscle Profiling Study. The beef cuts are taken from the underutilized chuck and round and consist of steaks and roasts that do not have any connective tissue. Selected for their palatability, tenderness and flavor, these cuts allow customers to enjoy more great tasting steaks and roasts that are easy to prepare.

Flat Iron

Sales of the Flat Iron stayed consistent at approximately 119,000 lbs per quarter from the time it was introduced to the retail meat case until the third quarter of 2005 when more retailers started offering the cut. Retail sales expanded in the third quarter of 2005, increasing 579 percent to more than 1.1 million pounds sold in the fourth quarter of 2006, according to the latest data available. The most significant growth to date took place last spring, in the second quarter of 2006, with a 668 percent increase compared to year ago and a 46 percent increase versus the prior quarter. Feature advertising during this time also increased 114 percent versus year ago, according to Promodata. Average feature price was \$3.75 per pound.

“The growth of Flat Iron sales was driven by retail introductions,” said Randy Irion, director of retail marketing for the National Cattlemen's Beef Association, which contracts to manage retail programs for the beef checkoff. “Many of these introductions were fueled by the work of packers and processors offering the steaks in a case ready or knife-ready format.”

Petite Tender

For the first two years after its launch, volume sales of the Petite Tender averaged only 7,500 lbs per quarter. The cut started receiving more attention at retail in the first quarter of 2005, and sales increased 171 percent to approximately 127,000 lbs per quarter. To date, the largest period of Petite Tender sales was during the third quarter of 2006, a quarter that encompasses the majority of Summer Grilling season. Over 251,000 lbs were sold during this time and feature advertising increased 169 percent versus year ago with an average feature price of \$4.69 per pound.

(more)

DENVER OFFICE

9110 E. Nichols Ave.
Suite 300
Centennial, CO 80112
303.694.0305

CHICAGO OFFICE

444 N. Michigan Ave.
Suite 1800
Chicago, IL 60611
312.467.5520

www.beef.org



This Project is Funded by
The Beef Checkoff

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June 14, 2007

Page 2

The following retailers featured Beef Value Cuts in the last six months, according to Promodata: Bakers, Big Y, Dillons, Dierberg's, Fiesta, Food 4 Less, Foodland, Food Lion, Fred Meyer, Fry's, Giant Eagle, HEB, Hy-Vee, King Kullen, King Soopers, Kroger, Lowes, Marsh, Publix, QFC, Ralph's, Shop N Save and Smith's. Retailers have found the new cuts to be successful as they allow them to increase product offerings and give customers a greater variety of choices when choosing their next meal.

Many retailers have started to include other Beef Value Cuts in their fresh meat case including: Beef Shoulder Center Steak (Ranch Cut), Beef Shoulder Tender Medallions, Beef Round Sirloin Tip Center Steak, Beef Round Sirloin Tip Center Roast , Beef Round Sirloin Tip Side Steak and Beef Bottom Round (Western Griller).

The Beef Checkoff Program was established as part of the 1985 Farm Bill. The checkoff assesses \$1 per head on the sale of live domestic and imported cattle, in addition to a comparable assessment on imported beef and beef products. States retain up to 50 cents on the dollar and forward the other 50 cents per head to the Cattlemen's Beef Promotion and Research Board, which administers the national checkoff program, subject to USDA approval. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 national referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef.

Producer-directed and consumer-focused, NCBA is the trade association of America's cattle farmers and ranchers, and the marketing organization for the largest segment of the nation's food and fiber industry.

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