

WHERE RUBBER MEETS THE ROAD

How Certified Angus Beef® and U.S. Premium Beef are mapping a rewarding course for beef producers.

In the cattle business, profitability isn't guaranteed from just raising high-quality beef. Without a path to place product where it's valued most, profits seldom travel back to producers.

After record premiums in fiscal year 2024 on its Kansas grid, U.S. Premium Beef, LLC (USPB) is clearly on the right track in retaining and adding value. A key part of that success comes from strong industry alliances like supplying cattle that meet the gold standards of the *Certified Angus Beef*® (CAB) brand.

Likewise successful in 2024, CAB sales soared to near-record highs at 1.23 billion pounds, reinforcing that strong demand for quality remains.

CAB President John Stika reports that retail and food service partners are showing more and more interest in adding CAB branded products to their meat cases and menus, despite high beef prices. Surely, this activity enforces that beef purchasers will continue to pay for added value, that in turn supports profitable production.

"It really drives home the point that consumer demand is based on price in relation to value," Stika says. "As long as we continue to add more value to the products that we're putting in front of consumers, they will continue to pay the prices that we need in production agriculture to continue to drive profitability at every level."

Founded in 1978, CAB drives demand for Angus cattle by creating demand for the brand among retail and foodservice partners through uncompromising standards for taste. Its foundation is built on three key pillars: delivering the best-tasting beef, maintaining its position as the best-selling brand and sourcing its product from dedicated Angus producers.

The brand's 10 quality specifications have maintained consistency, taste and palatability, and have in turn laid the foundation for the industry to improve quality overall. Because of efforts across the board to improve marbling, CAB now makes up 22% of all fed cattle harvested in the U.S.

A big portion of those cattle come through U.S. Premium Beef.



"Who better to source that product from than an industry that cares about quality and delivering that taste and value experience to consumers?" Stika says.

The Vehicle

CAB works across every segment of the beef supply chain — from retailers back to registered Angus breeders who own the brand. While the program can create demand for a great product, Stika notes there must ultimately be a vehicle that translates that demand into true dollars and cents for producers. "That's really where the relationship between Certified Angus Beef and U.S. Premium Beef comes together," he says.

He credits USPB for creating that vehicle by means of the grid with partner National Beef Packing Company. From a CAB standpoint, he reminds, the brand is responsible for making sure there is margin to distribute, but not to necessarily distribute the margin. "U.S. Premium Beef steps in and takes on that responsibility to distribute that margin back to producers," he says.

For a large portion of CAB's 46-year history, cattle were sold on the cash, live market. When Stika joined CAB in 1999, he says the number one question he received in his role in supply development was, "Where's my premium?"

Unfortunately, selling high-end products on the cash market did not often garner premiums. When USPB entered the scene, Stika and the CAB team could point producers in that direction.

“Over the course of time, as U.S. Premium Beef’s return back to producers has grown, our demand and our sales and our supply has grown,” Stika observes. “I don’t think those are independent of each other.”

John Stika



As president for the *Certified Angus Beef*® brand, John Stika guides grassroots programs to deliver premium beef from family farmers and ranchers to consumers’ dinner tables.

John grew up on a small family farm in central Kansas and earned a bachelor’s and master’s degree from Kansas State University and a doctorate in meat science from the University of Kentucky. He joined the brand in 1999 as director of feeder-packer relations, then director of packing and supply development. As vice president of business development, he led sales growth through retail, foodservice, international, and value-added products before becoming president in 2006.

John has served on the American Meat Science Association board and is active in beef quality committees of the National Cattlemen’s Beef Association. He received K-State’s Outstanding Young Alumnus award and the Achievement award from the American Meat Science Association. John and his wife, Deanna, have three sons and live in Creston, Ohio, where they care for a small herd of Angus cattle and other livestock.

USPB has been so integral in CAB’s success that it was awarded the CAB Progressive Partner Award in 2021 for its work in communicating the importance of quality and turning that into true dollars that benefit farming families across the country.

“I think we’re very much attached at the hip — create the market, create the message and the economic signal,” Stika says. “We’ve both grown very nicely together.”

The Drive Ahead

This strong partnership has allowed both parties to successfully tap into international markets. For years, foreign markets have created demand for items that didn’t sell well domestically. However, in the last decade, there has been demand for the entire carcass in international markets.

International sales now make up more than 15% of all CAB sales on an annual basis. The brand has since added team members in Mexico, Canada, Dubai, Hong Kong, Japan and Korea to sustain that growth. Stika says CAB is seeing direct benefits to those boots-on-the-ground representatives, who are selling products on behalf of farming and ranching families.

“We have no doubt that international markets are going to continue to be valuable in terms of adding demand to the brand, which ultimately then creates more demand and elevates the price of fed cattle across our market,” he says.

Looking at the industry holistically, higher fed-cattle weights and additional cover on each carcass indicates that producers are not tapping the brakes on quality. Stika says the metrics on the grid prove quality is what has paid, and will continue to be what pays.

“Our goal is to produce more pounds of gold, not more pounds of lead,” he says. “That balance between quality and composition is going to become more and more important.”

At home and abroad, beef purchasers increasingly want to know more about the beef and the quality that they’re buying. Branded programs like CAB have been a big part of delivering on that expectation.

Stika emphasizes that branded beef programs must consistently deliver high-quality products while also showcasing the hard work of farming and ranching families — a role he sees growing in importance as CAB builds on its 46-year legacy.

“As we talk about telling stories about farming and ranching families, what better partnership than Certified Angus Beef and U.S. Premium Beef? An organization built on the integrity of farming and ranching families committed to delivering the best, highest quality product to the marketplace, to consumers around the world.” ♦

