





PAUL DYKSTRA

2025
FEEDING QUALITY
FORUM

A PRIME OPPORTUNITY





Prime Opportunity

Paul Dykstra

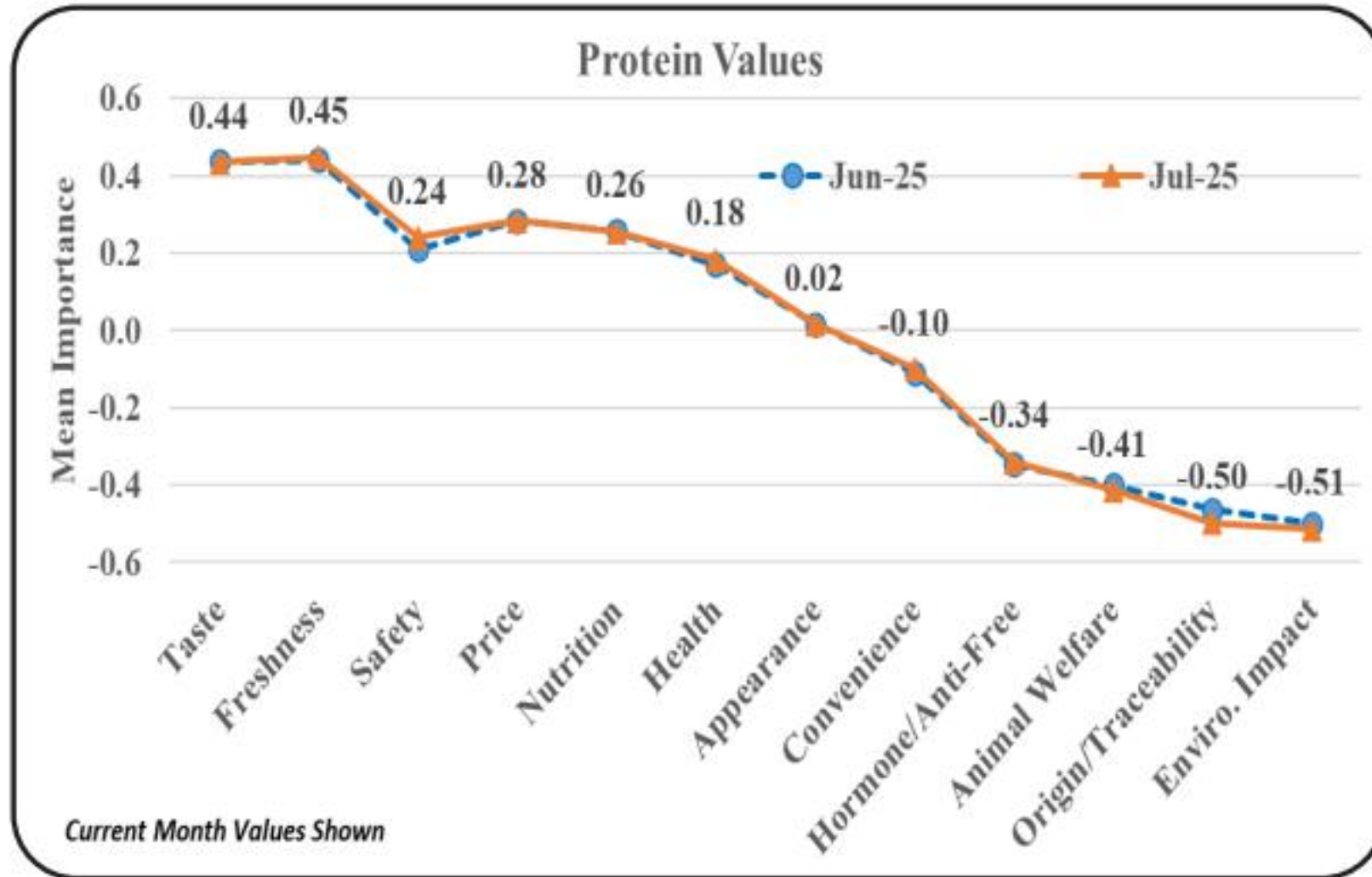


FEEDING QUALITY
FORUM



FEEDING QUALITY
FORUM

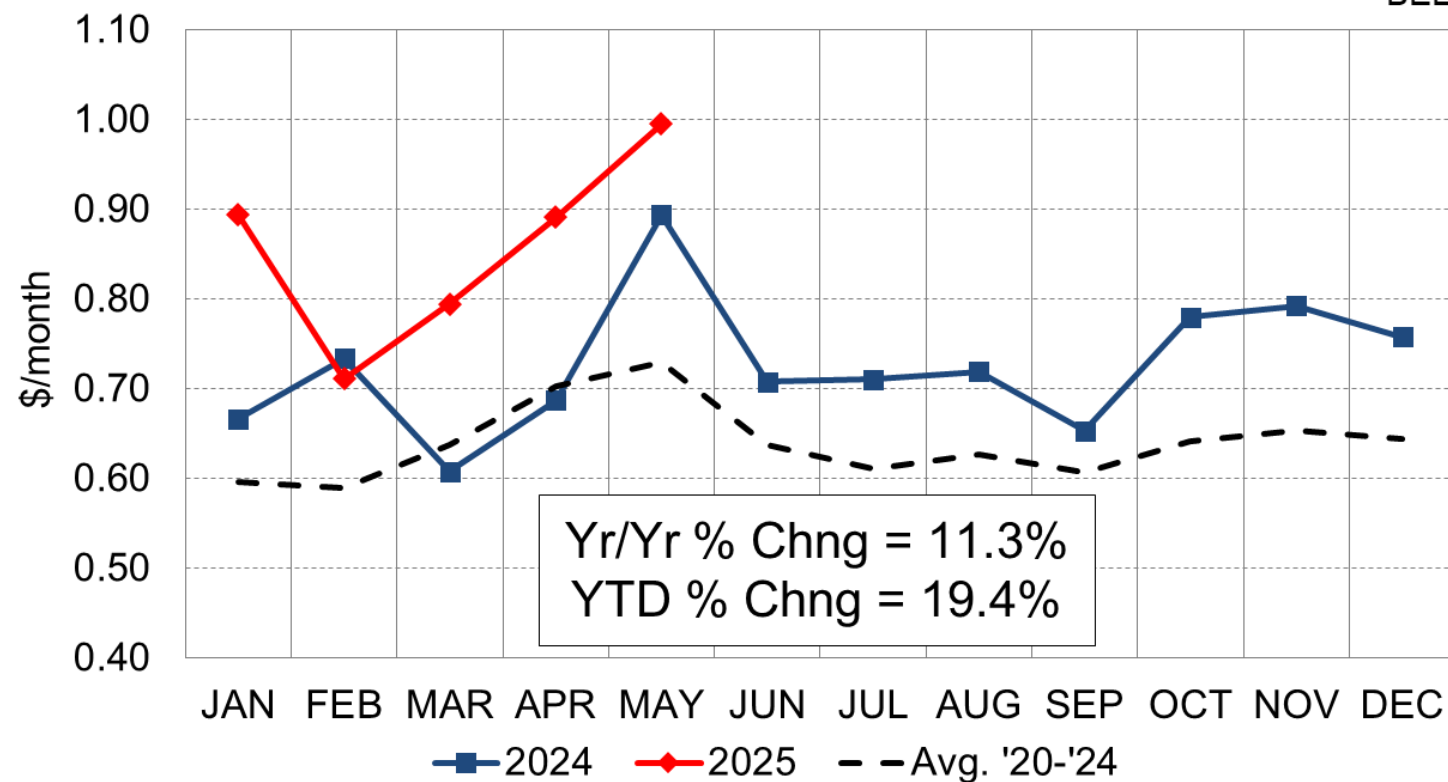
Worried About Retail Beef Prices?



Meat Demand Monitor
Kansas State University Department of Agricultural Economics
Glynn Tonsor, Professor, gtonsor@ksu.edu



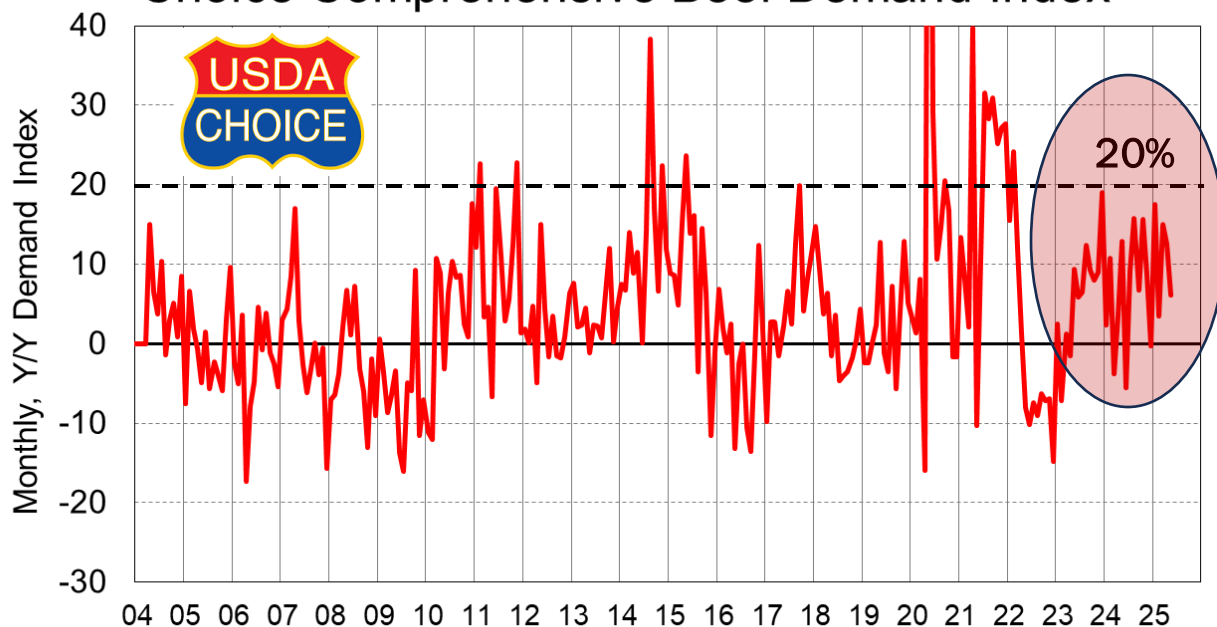
NOMINAL PER CAPITA EXPENDITURES - COMPREHENSIVE PRIME BEEF



Source: Terrain using data from USDA ERS, NASS, and FAS

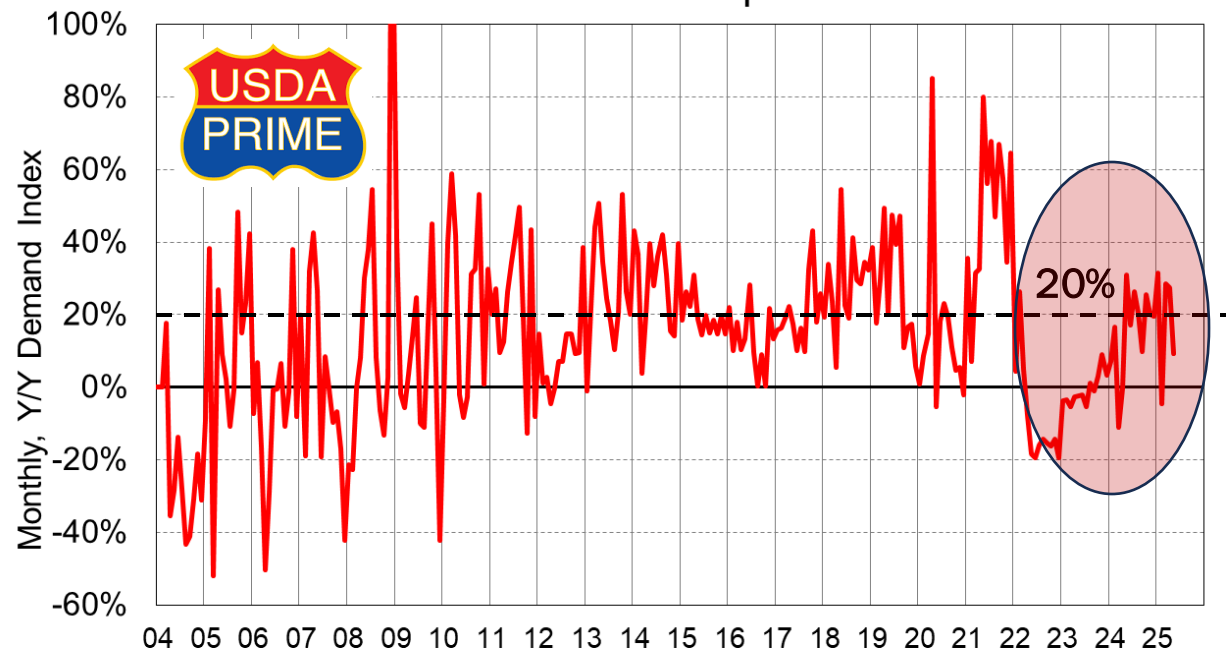
USDA Choice and Prime Consumer Demand

Choice Comprehensive Beef Demand Index



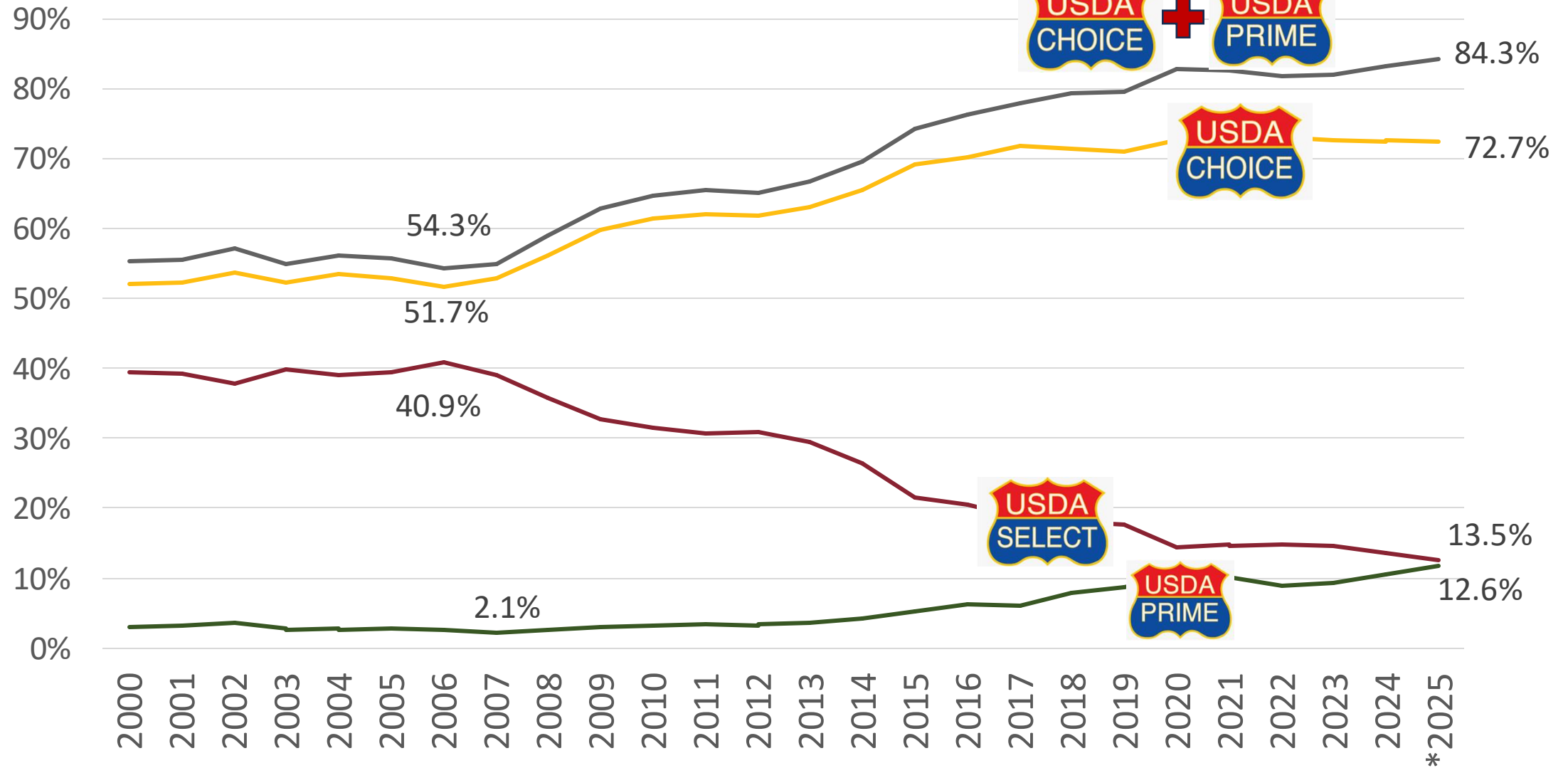
Source: Terrain using data from USDA ERS, NASS, and FAS

Prime Comprehensive Demand Index

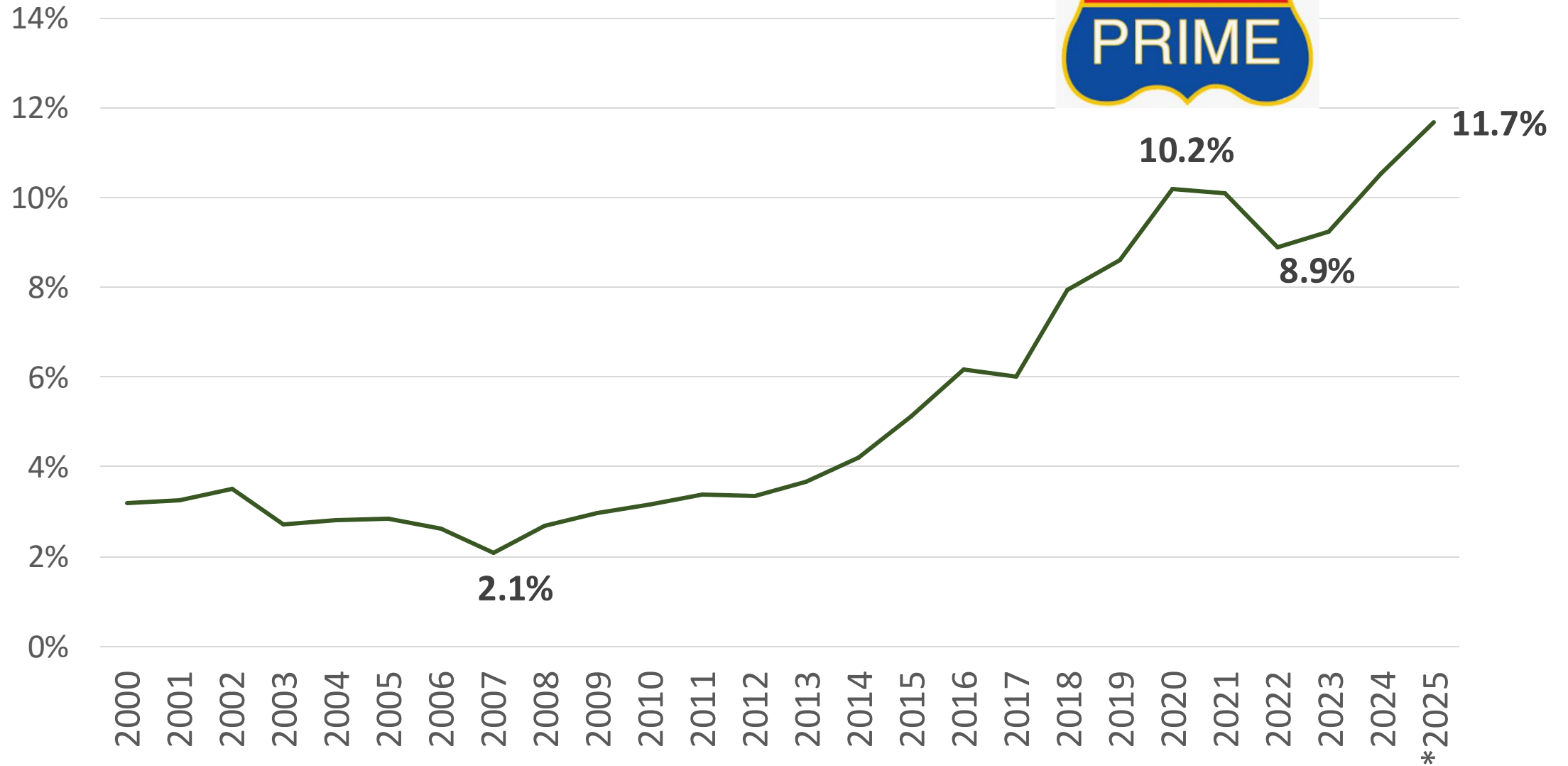


Source: Terrain using data from USDA ERS, NASS, and FAS

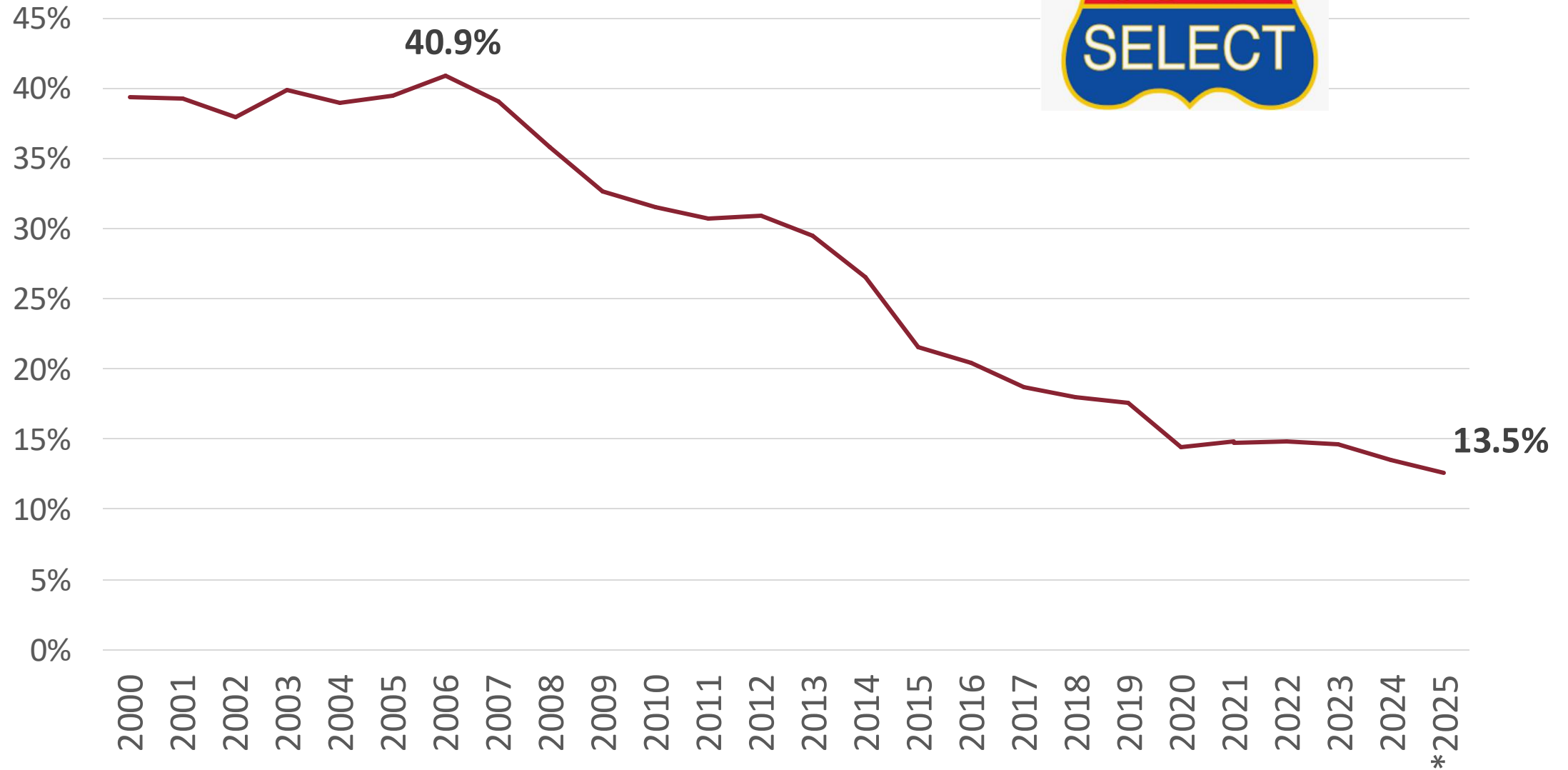
USDA Quality Grade Evolution



USDA Prime Trend



USDA Select Trend





Beef Grades - Year Over Year Comparison

Data as of 7/19/2025
Updated on 7/27/2025

WEEKLY OR MONTHLY VIEW:

QUALITY GRADE:

YEAR:

MONTH:

FSIS REGION:

STATE:

Beef Grades Week Over Week

Prime

(Multiple values)

(All)

(All)

(All)



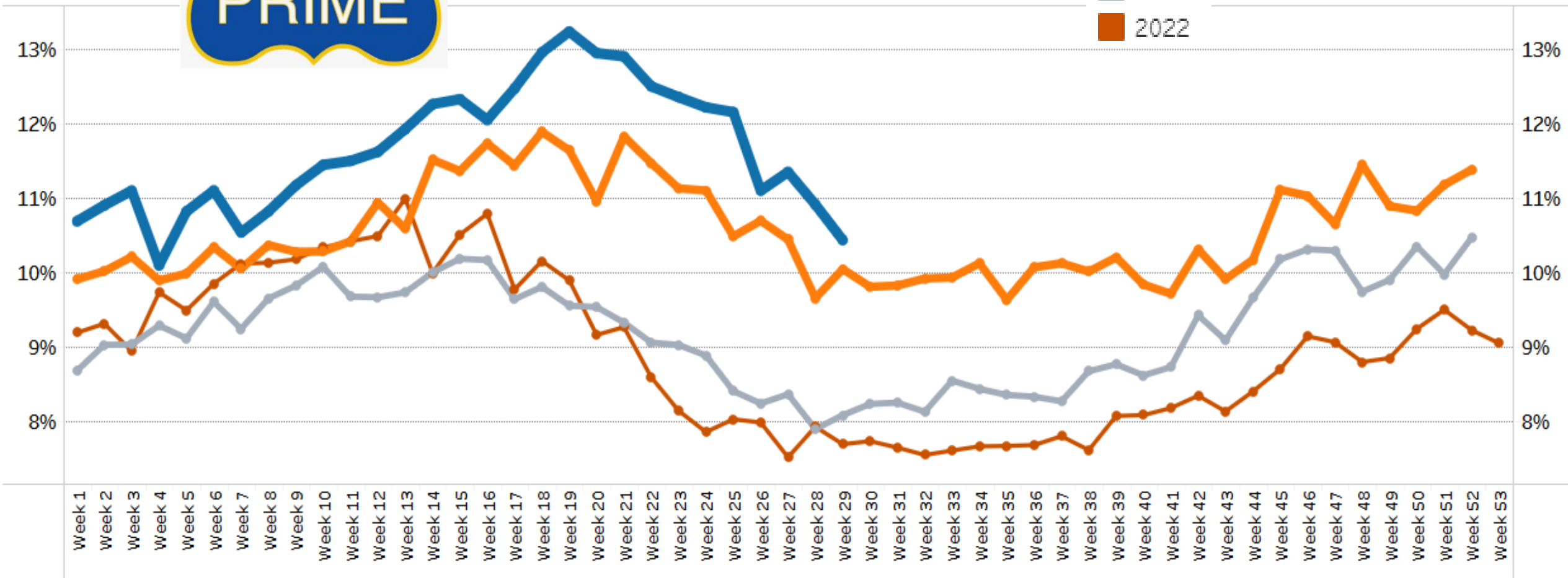
Beef Grade Timeframe Comparison

Grade: Prime

Regions: All, States: All

2025
2024
2023
2022

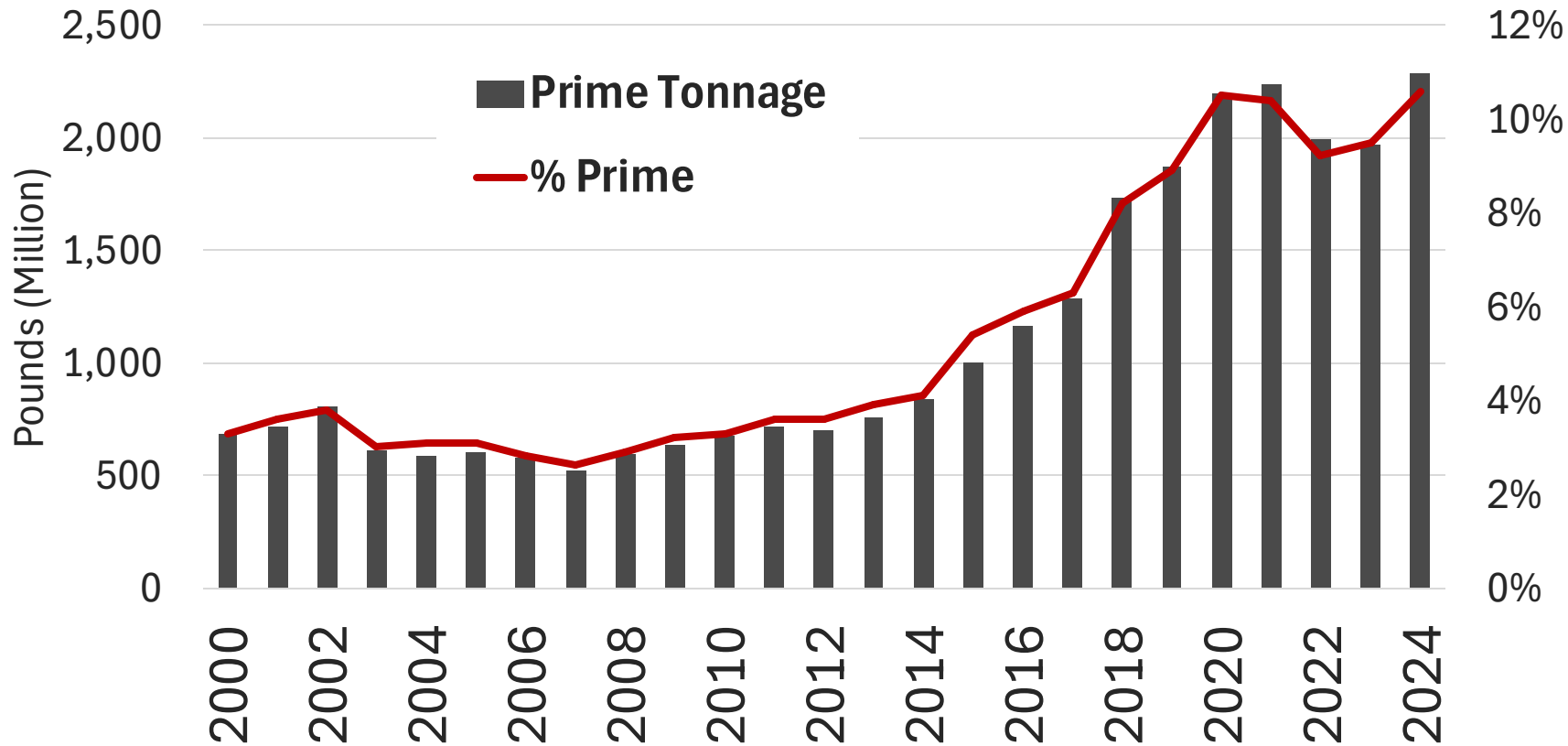
Year





USDA Prime

Tonnage and % of Total Fed Cattle Graded



2024 Prime Tonnage

3.3 times 2000

4.4 times 2007

2.3 times 2015

Prime grade share is the
key to volume.

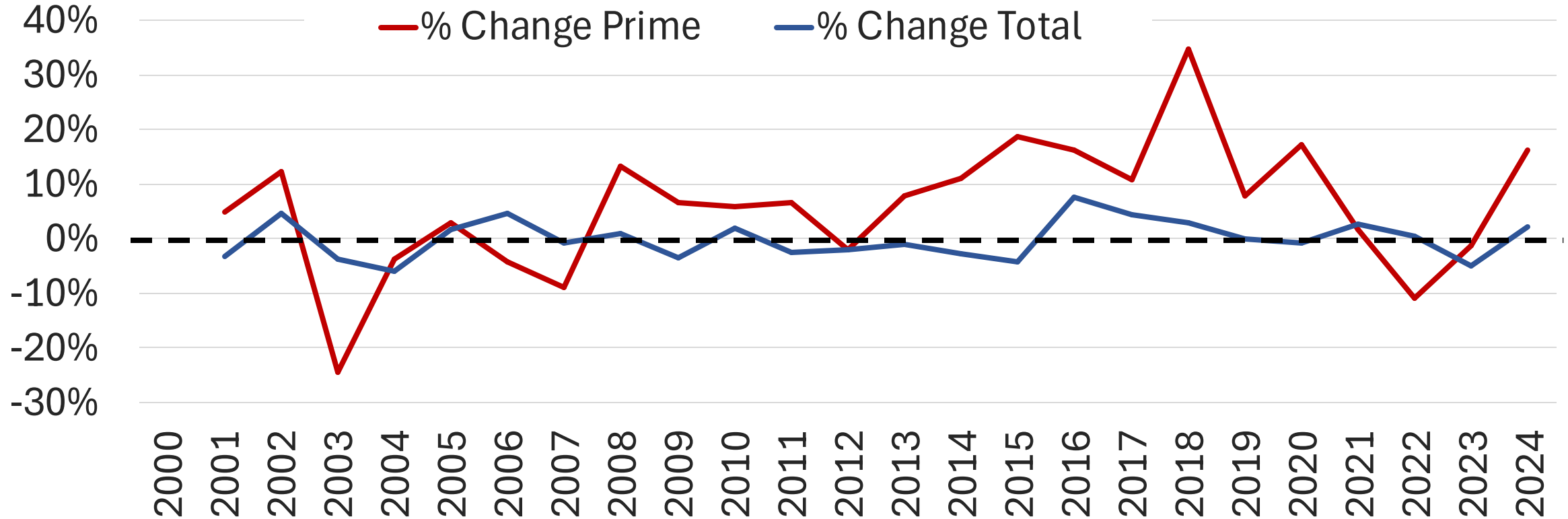
USDA Prime vs. Total Graded

Year on Year % Change in Pounds

Since 2000

Prime Increased 17 Years

Total Increased 11 Years

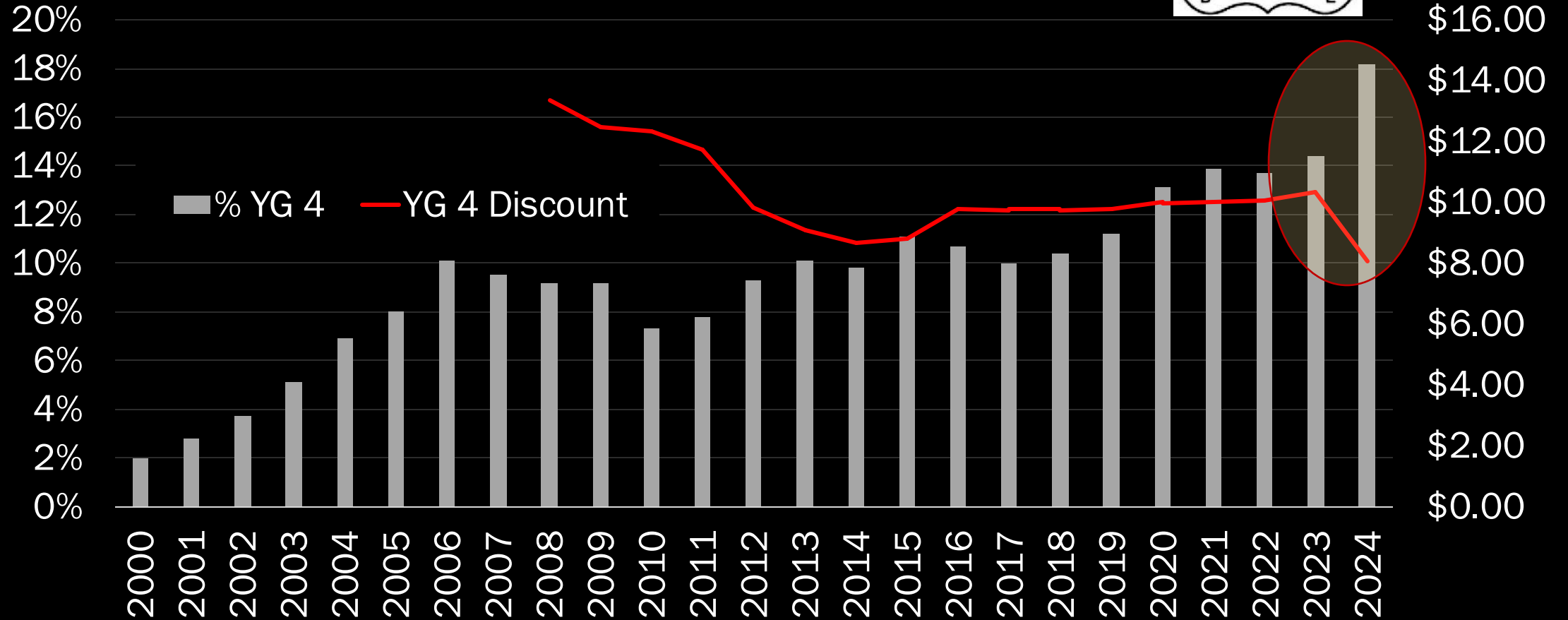


Quality Grade	Yield Grade 1	Yield Grade 2	Yield Grade 3	Yield Grade 4	Yield Grade 5
Prime	0.03%	0.88%	6.32%	3.35%	1.16%
Choice	1.02%	14.33%	43.79%	14.26%	2.81%
Select	1.05%	4.96%	5.13%	0.71%	0.13%
Standard	0.01%	0.02%	0.03%	0.01%	0.00%



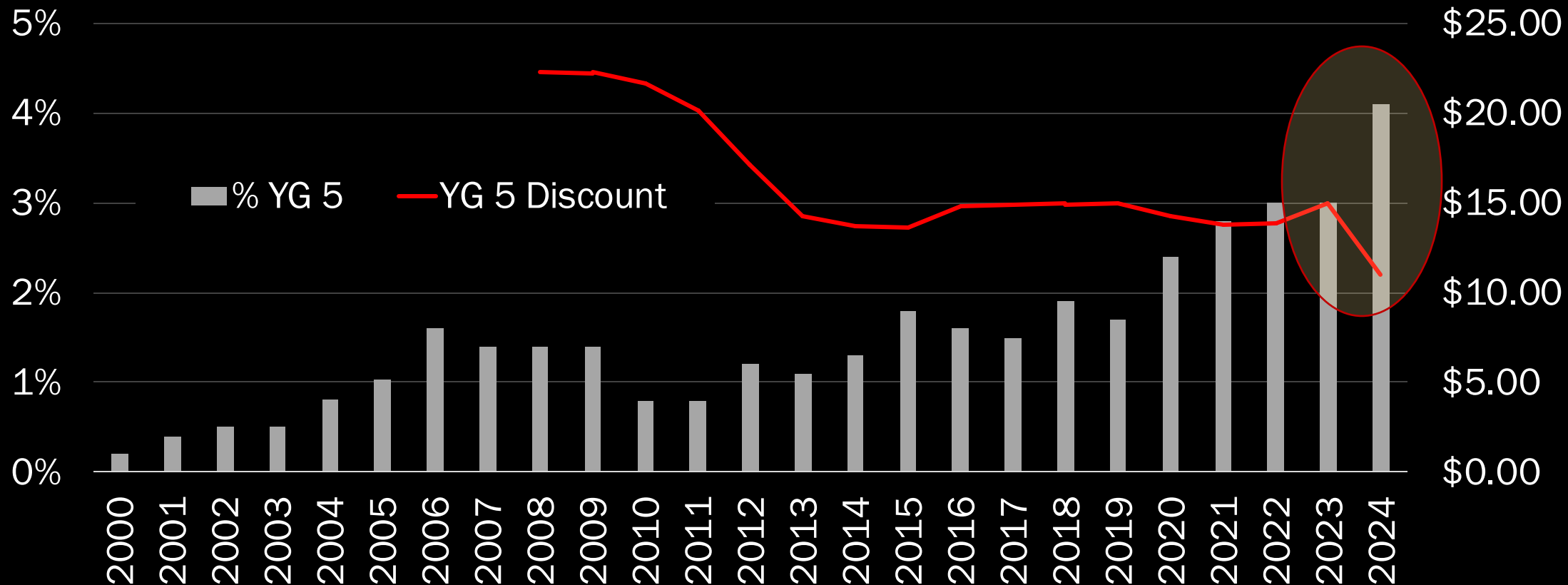
Yield Grade 4

Percentage and Discount

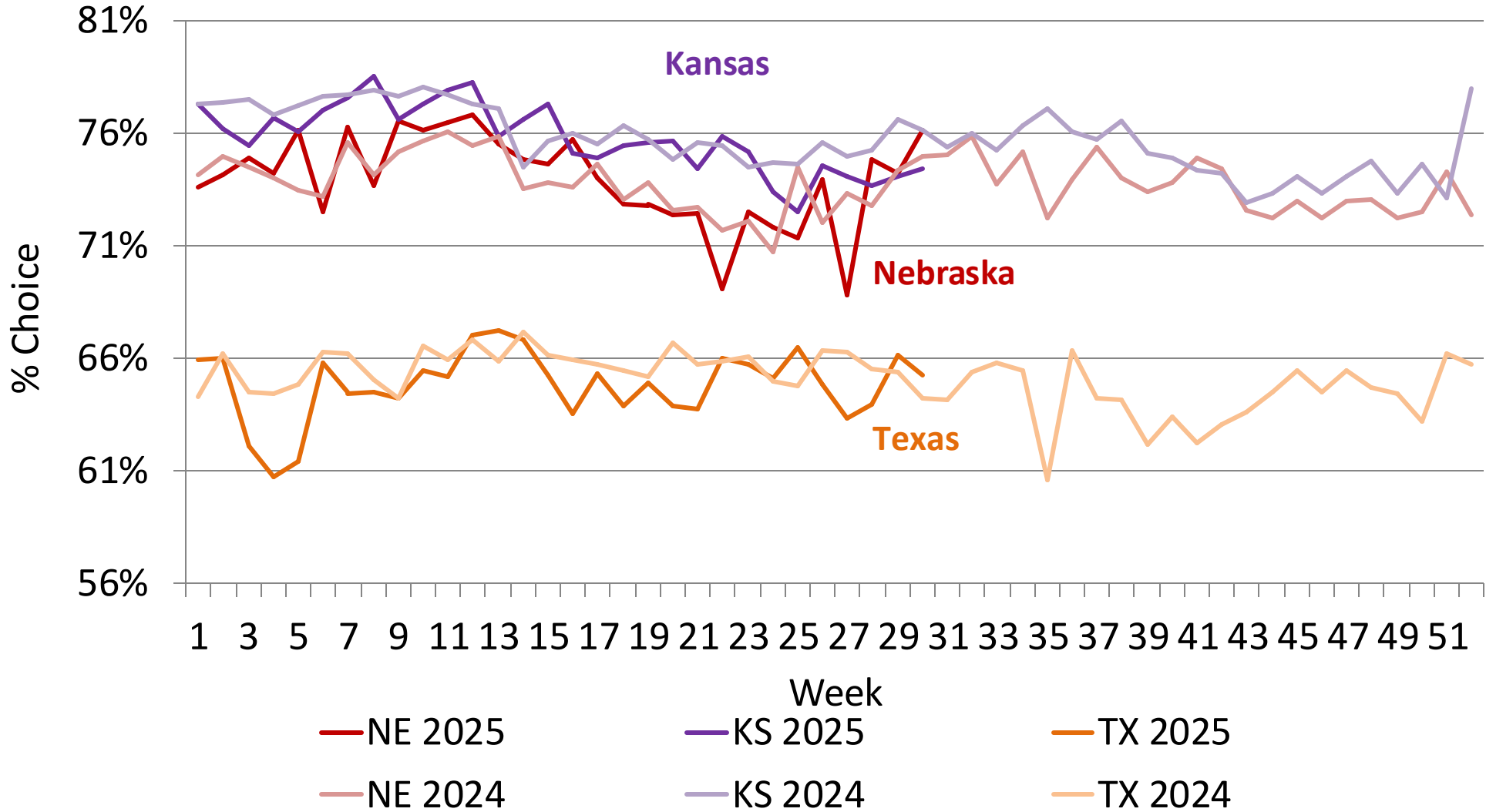


Yield Grade 5

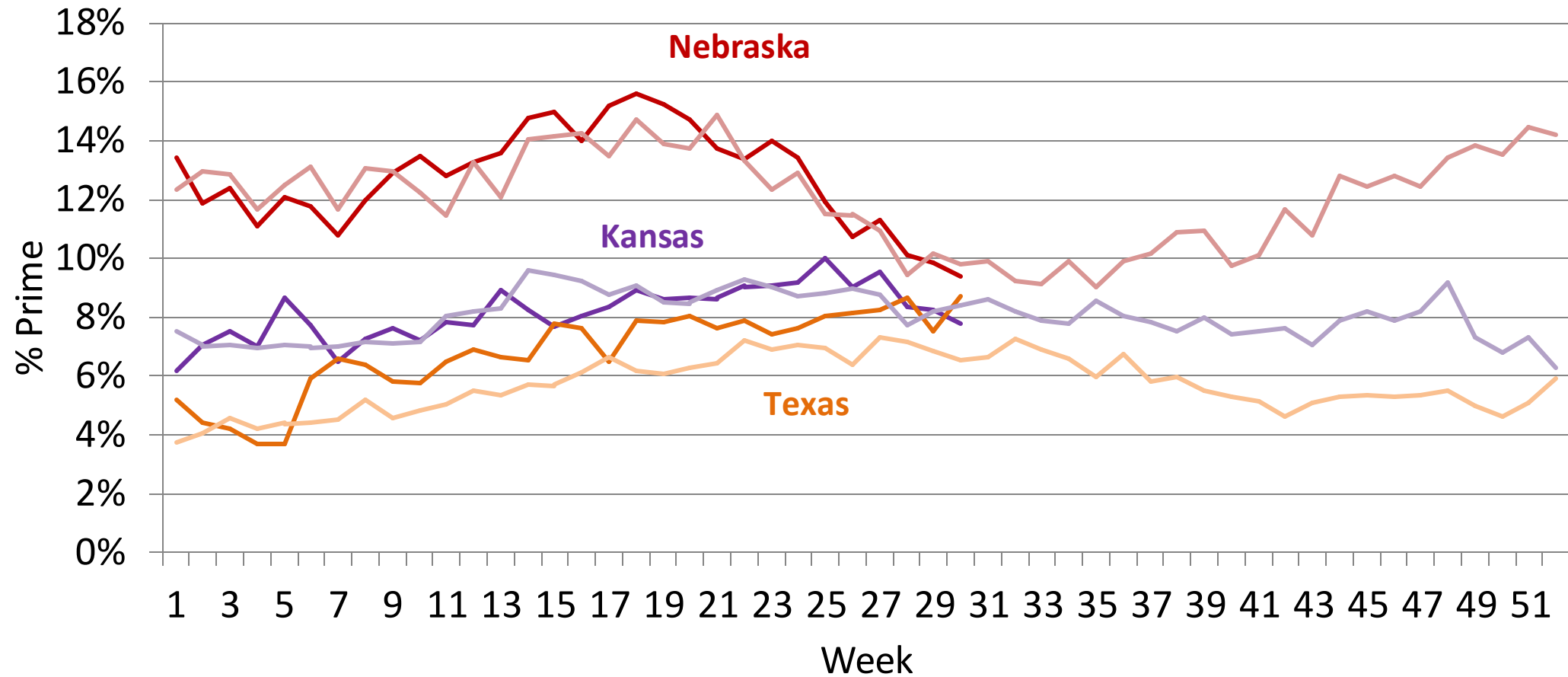
Percentage and Discount



% USDA Choice Grade by State



% USDA Prime Grade by State



NE 2025

KS 2025

TX 2025

NE 2024

KS 2024

TX 2024

2024 Consist Summary

- Data submitted from 12 Plants
- 2.1 Million Carcasses
- 1 week per month
- Carcass Data Includes
 - Marbling Score
 - Ribeye Area (REA)
 - Backfat
 - Hot Carcass Weight (HCW)



Reasons Carcasses Don't Certify



Specification	Defect Rate (%)								
	2024	2023	2022*	2020	2019	2015	2013	2012	2008
Marbling <500	82.0%	86.3%	85.6%	80.2%	89.9%	91.4%	94.8%	95.0%	94.0%
HCW >1,100**	8.6%	4.5%	4.4%						
>1,050			11.0%	13.8%	6.8%	8.1%			
>1,000							6.9%	6.5%	2.6%
Ribeye Area	20.5%	16.8%	15.0%	13.2%	10.0%	15.6%	12.1%	16.6%	8.7%
>16.0"	20.0%	16.3%	14.5%	12.9%	9.5%	14.8%	9.5%	15.2%	6.0%
<10.0"	0.5%	0.5%	0.5%	0.3%	0.5%	0.8%	2.6%	1.4%	2.7%
Back Fat >1"	8.6%	7.0%	8.0%	10.0%	4.9%	3.1%	2.0%	0.9%	2.5%

Source: Certified Angus Beef Consist Study

*2022 data is comprised of Oct-21 through Sep-22. An increase from 17.9% to 23.7% in REA DQ rate was largely from a reduction in cattle that didn't qualify due to the HCW change.

** All 2022 data were analyzed as though the 1,100 HCW spec was in effect for the entire time period.

For samples with single-sided measurements, variance between left and right sides was estimated from double-sided measurements. This variance was then used to simulate missing data points from a distribution matching the observed distribution of the measured side. The simulated data was subsequently included in the analysis.

Reasons Carcasses Don't Certify for Prime

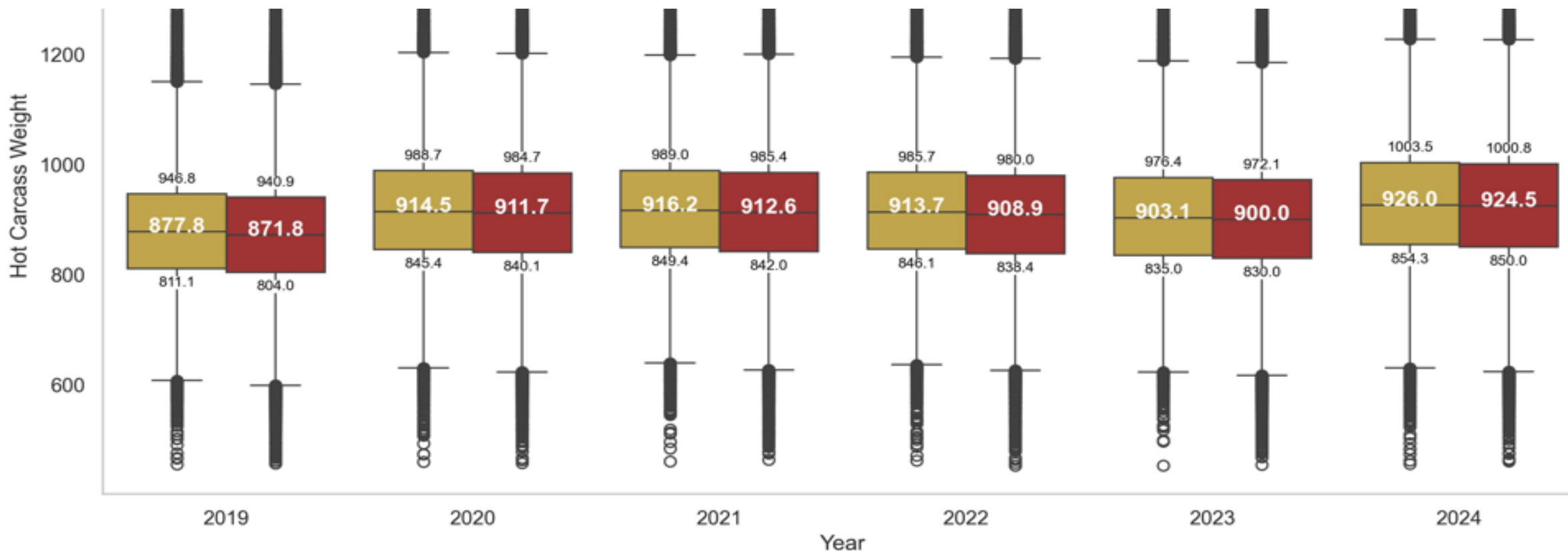
(of those with Prime Marbling)



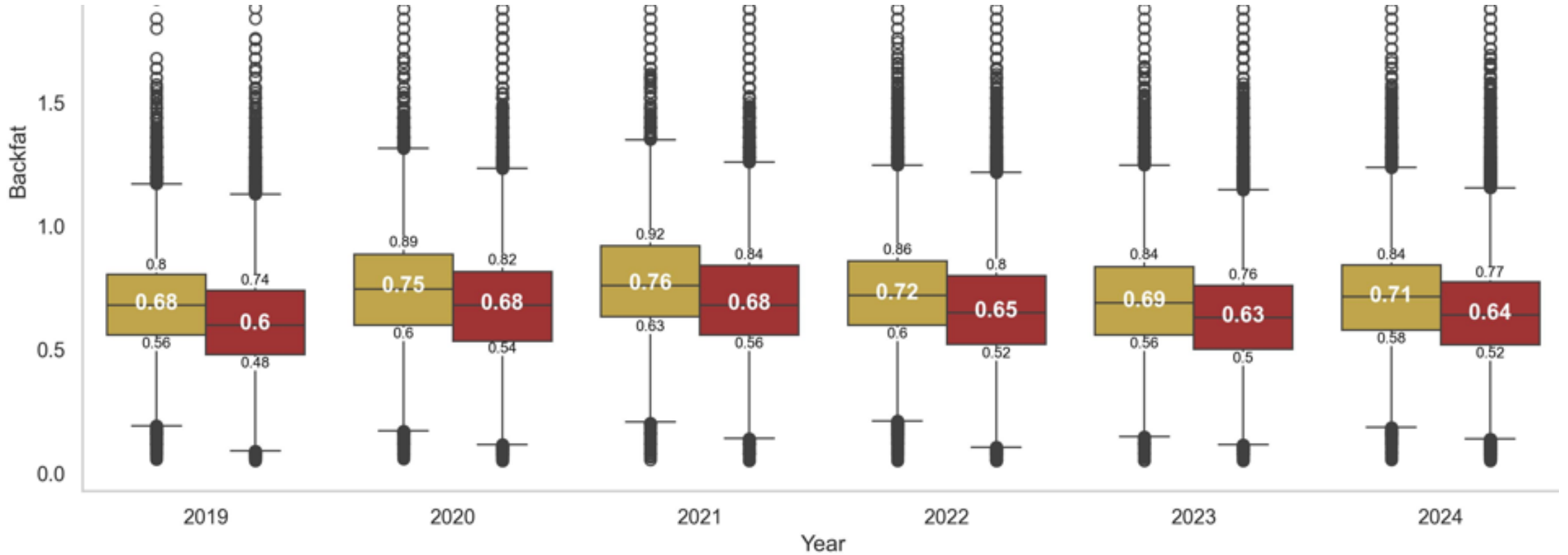
Specification	CAB Prime 'Acceptance Rate' (%)				
	2024	2023	2022	2020	2019
CAB Prime	82.8%	86.7%	85.6%	83.9%	90.1%
Specification	Defect Rate (%)				
	2024	2023	2022	2020	2019
HCW >1,100	32.8%	25.2%	27.2%	28.5%	20.4%
Ribeye Area	30.7%	30.1%	26.3%	17.1%	22.6%
>16.0"	28.4%	26.9%	23.6%	15.2%	17.7%
<10.0"	2.3%	3.2%	2.7%	1.9%	5.0%
Back Fat >1"	50.7%	55.8%	59.0%	66.0%	64.5%

*Each year is based on 1,100 lb HCW Specification and expressed as a percentage of those that did not qualify for CAB Prime and had Prime marbling levels.

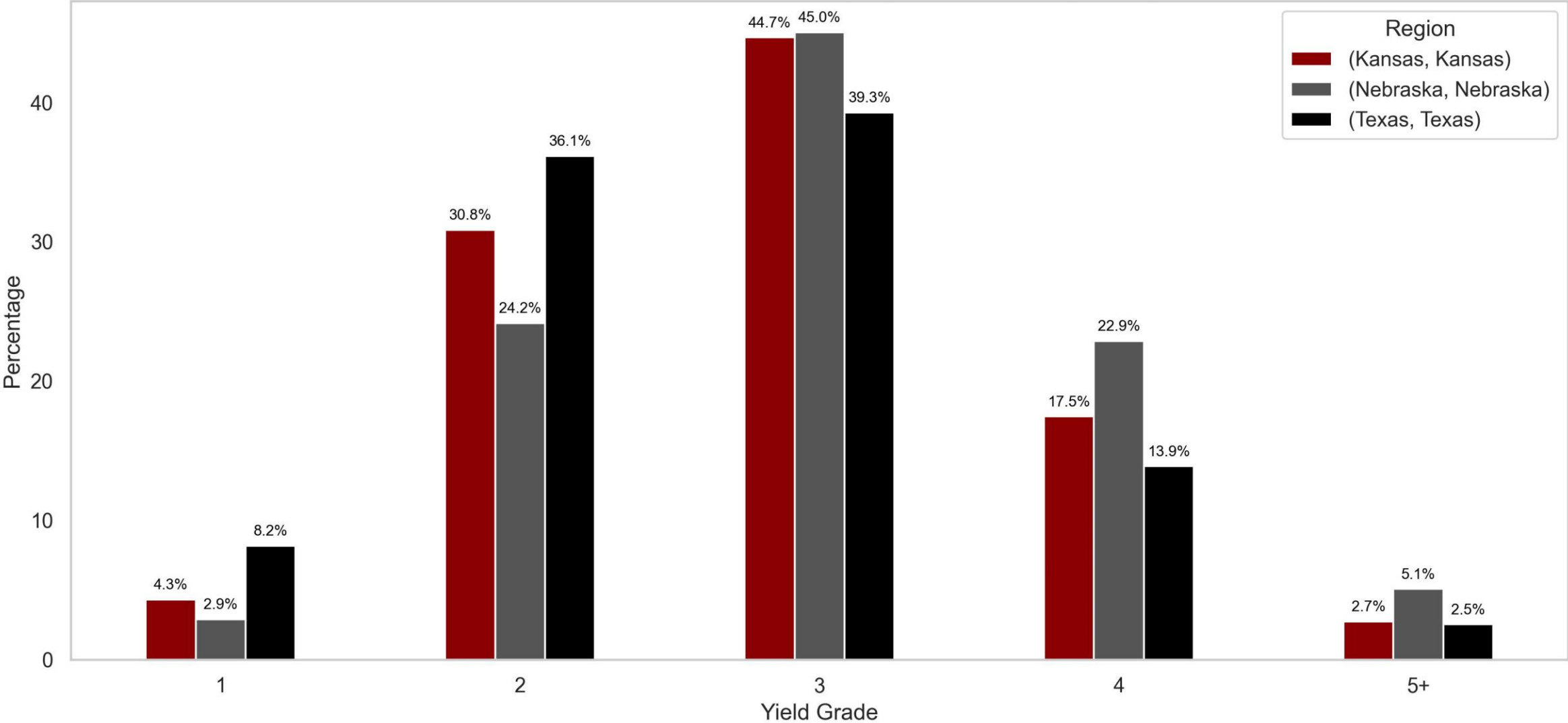
Carcass Weight by Year: Prime vs. Upper 2/3 Choice



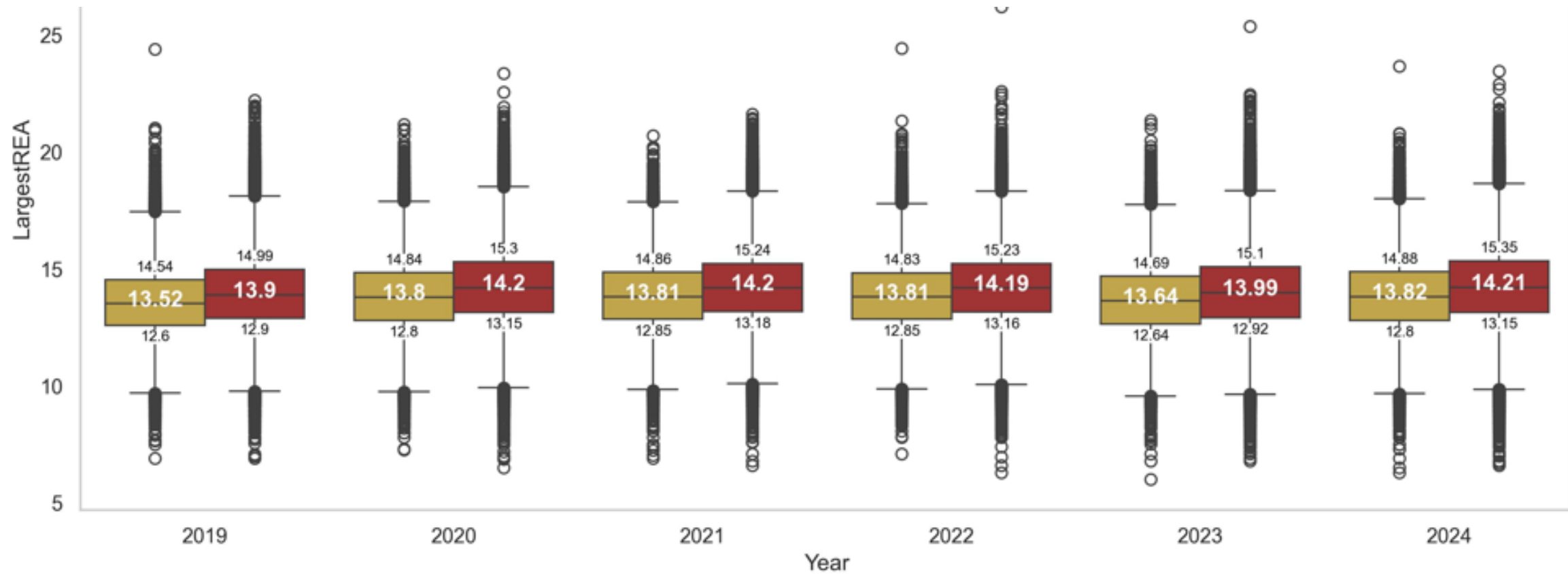
Backfat by Year: Prime vs. Upper 2/3 Choice



Yield Grade Distribution (%) - All Cattle (2024)



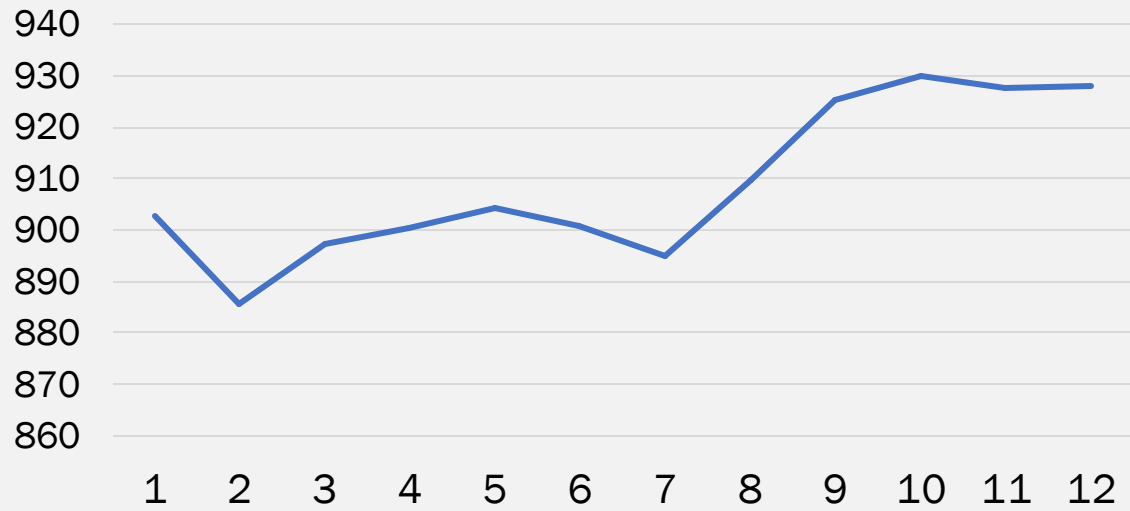
Ribeye Area by Year: Prime vs. Upper 2/3 Choice



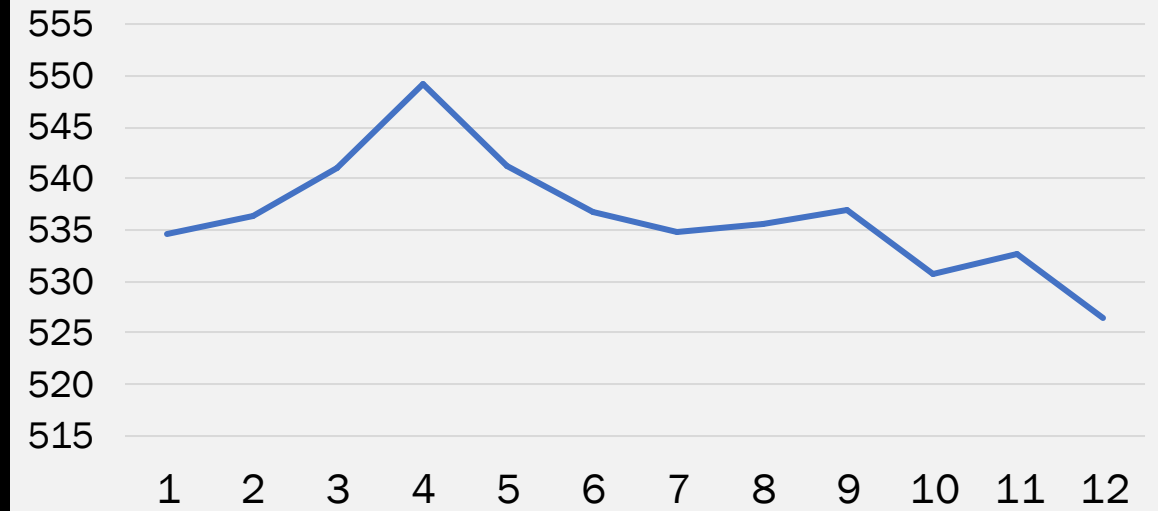
 Prime

 Upper Choice

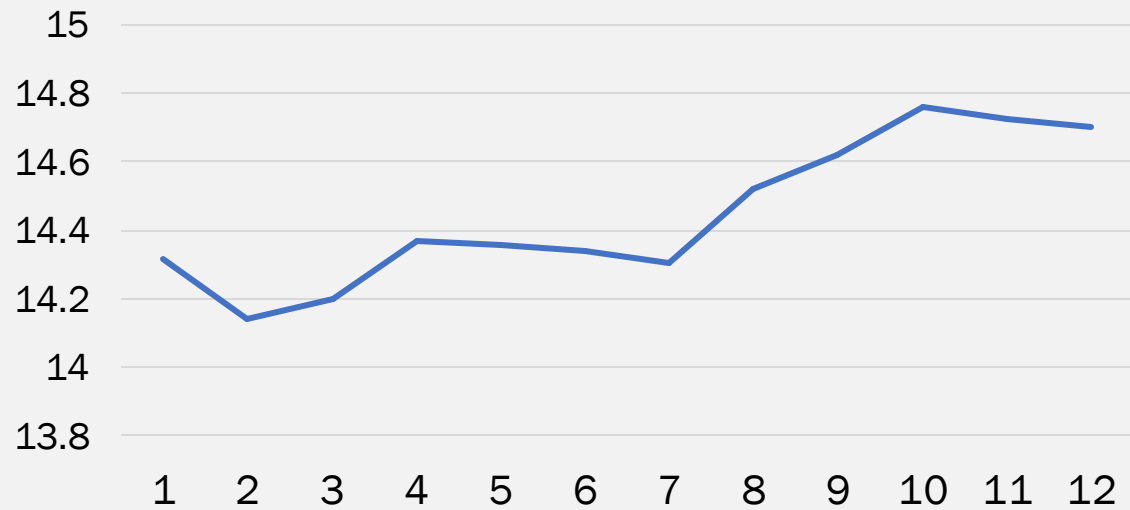
Hot Carcass Weight, lb



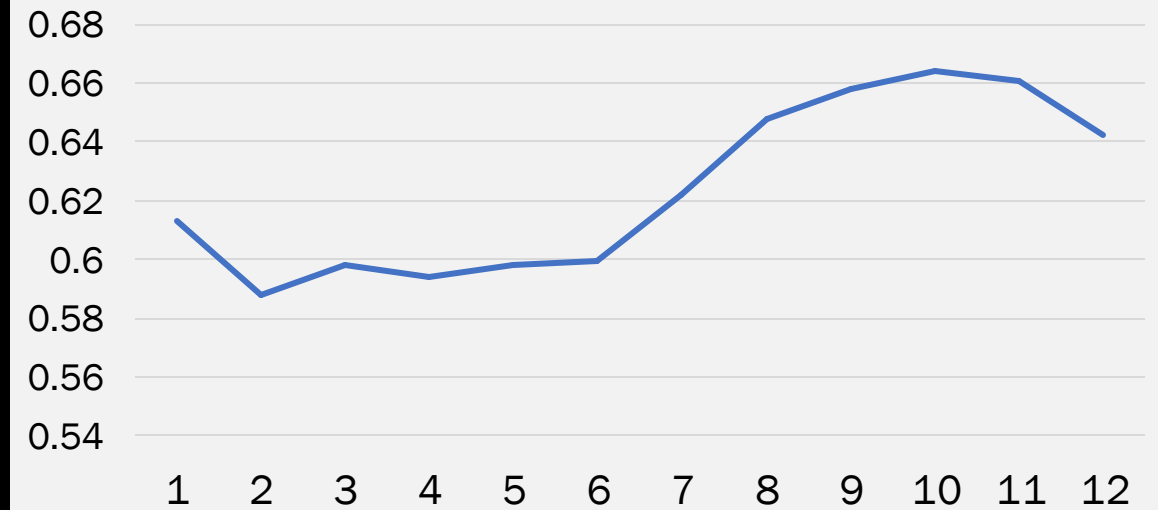
Marbling Score



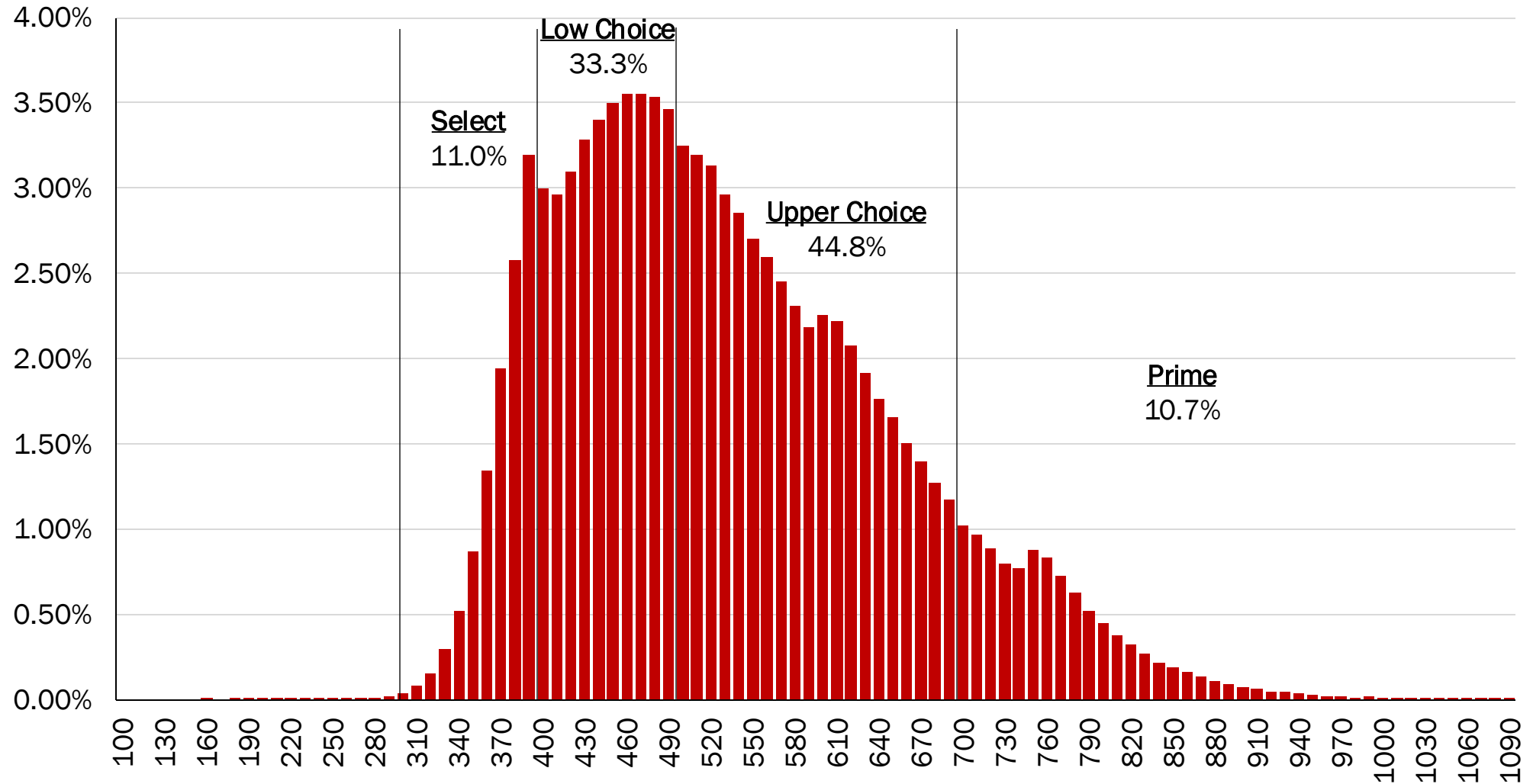
Ribeye Area, sq. in.



Backfat, in

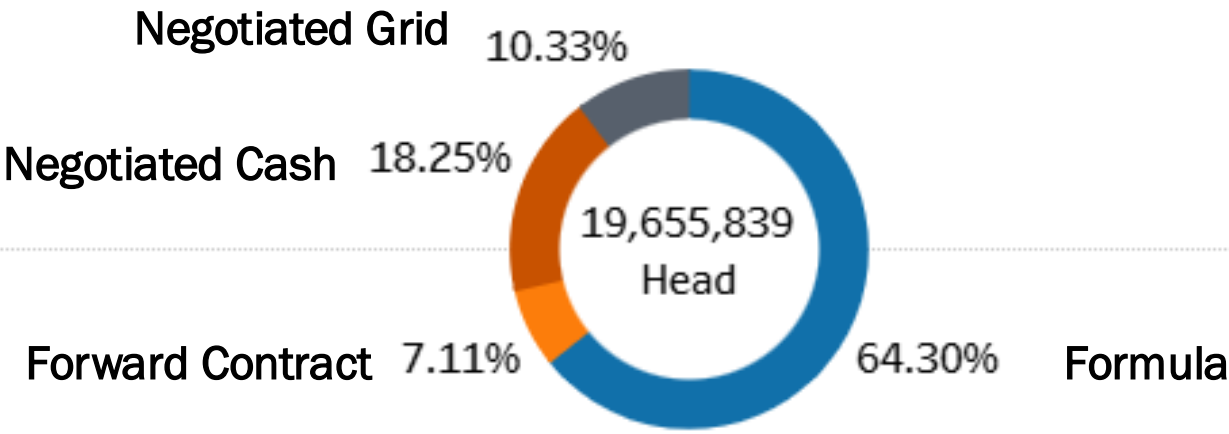


Marbling Distribution

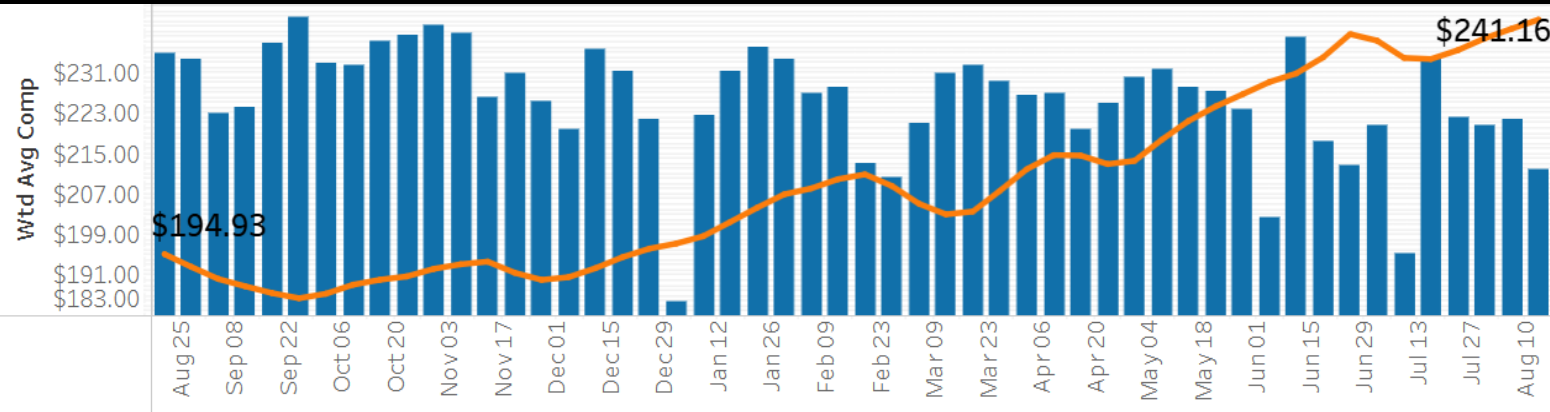


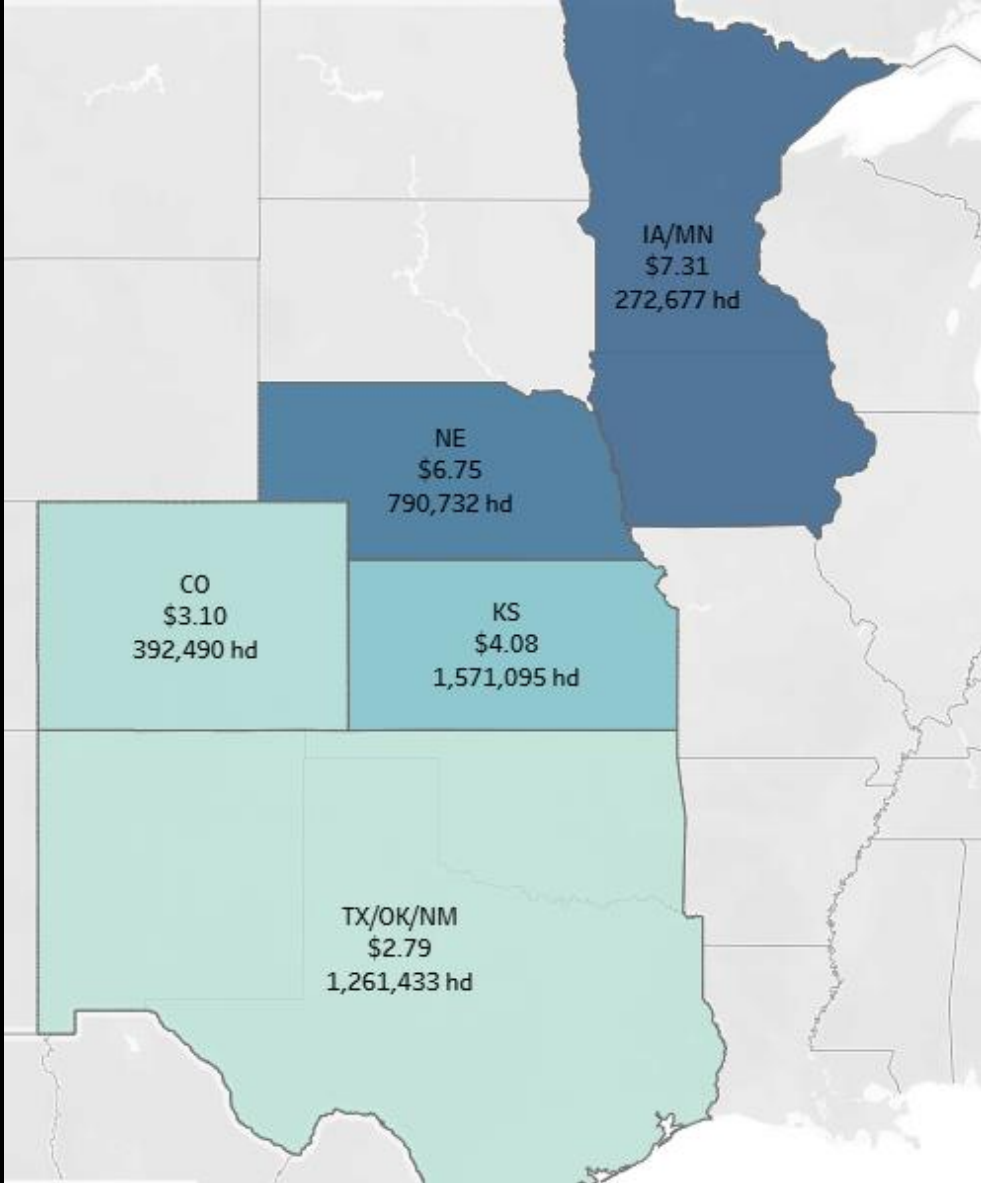


Purchase Type Breakdown



Last 12 Months





Quality Premium	
IA/MN	\$7.31
NE	\$6.75
National	\$4.44
5 AREA	\$4.31
KS	\$4.08
CO	\$3.10
TX/OK/NM	\$2.79

Quality Discount	
NE	(\$1.64)
KS	(\$1.83)
IA/MN	(\$1.96)
National	(\$2.22)
5 AREA	(\$2.29)
CO	(\$2.58)
TX/OK/NM	(\$3.00)

USDA, Aug. 2024 to Present



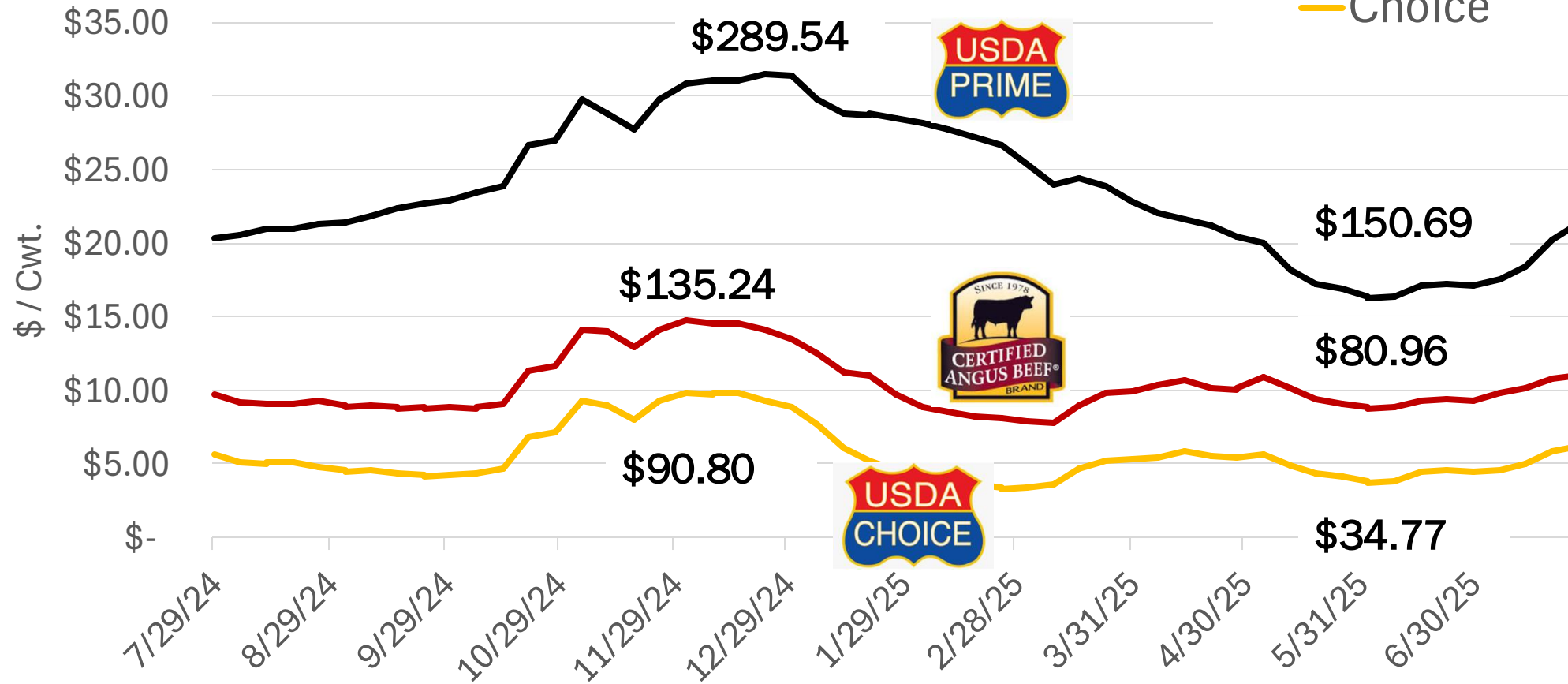
USDA,
Sep. 2024 to
Present

Pct Choice Breakout - Formula/Grid/Forward Contracts				
% Choice	Head	Price	Dressing Pct	Carcass Wt
Nets 95% Choice/Up	3,050,075	\$330.47	63.54%	931.1 lbs
Nets 90 - 95% Choice	2,742,187	\$324.60	63.84%	930.1 lbs
Nets 85 - 90% Choice	2,329,422	\$321.02	64.08%	924.6 lbs
Nets 80 - 85% Choice	1,867,212	\$319.43	64.24%	917.4 lbs
Nets 75 - 80% Choice	1,365,432	\$317.12	64.39%	908.4 lbs
Nets 70 - 75% Choice	961,567	\$315.85	64.40%	900.5 lbs
Nets 65 - 70% Choice	714,174	\$315.26	64.41%	894.7 lbs
Nets <65% Choice	1,568,912	\$313.29	64.41%	874.8 lbs
Nets Total All Grades	14,598,981	\$321.67	64.04%	916.2 lbs

\$17.18 /cwt.
Difference

Quality Grid Premium Prices Past 12 Months

— Prime
— CAB®
— Choice



USDA
70% CH Base

Price Per Head Effect of Shifting Quality Higher

Widest Quality Spreads

	Industry Average	Net \$ / Hd.		20% Prime	Net \$ / Hd.		30% Prime	Net \$ / Hd.
Prime	11%	\$ 31.85		20%	\$ 57.91		30%	\$ 86.86
CAB®	37%	\$ 50.04		58%	\$ 78.44		65%	\$ 87.91
Choice	39%	\$ 35.41		22%	\$ 19.98		5%	\$ 4.54
Select	13%	\$ (27.54)		0%	\$ -		0%	\$ -
		\$89.67			\$156.32			\$179.31

Narrowest Quality Spreads

\$56.98			\$84.80			\$99.61
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Past 12 Months

What Kind of Marbling Does It Take?

Under average
environmental conditions

% PRIME	Target Sire EPD*	%- Current Sires
20%	1.10	15%
30%	1.55	3%

***Base adjusted EPD**



Adjusting for Environment

Under less than ideal conditions

% PRIME	Target Sire EPD*	%- Current Sires
20%	1.38	5%
30%	1.82	1%

***Base adjusted EPD**



ANGUSLINKSM

VALUE ADDED PROGRAMS

ANGUSLINKSM GENETIC MERIT SCORECARDSM	BEEF SCORE 146
FEEDLOT SCORE 139	GRID SCORE 137 



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THE PERFECT PAIR.



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Achieve top maternal performance in tandem with improved carcass traits.

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A PRIME OPPORTUNITY



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