



Securing Beef Demand

Bruce Cobb and Abram Babcock

Extending Trust with Consumers

Bruce Cobb

EVP Production, Certified Angus Beef, LLC

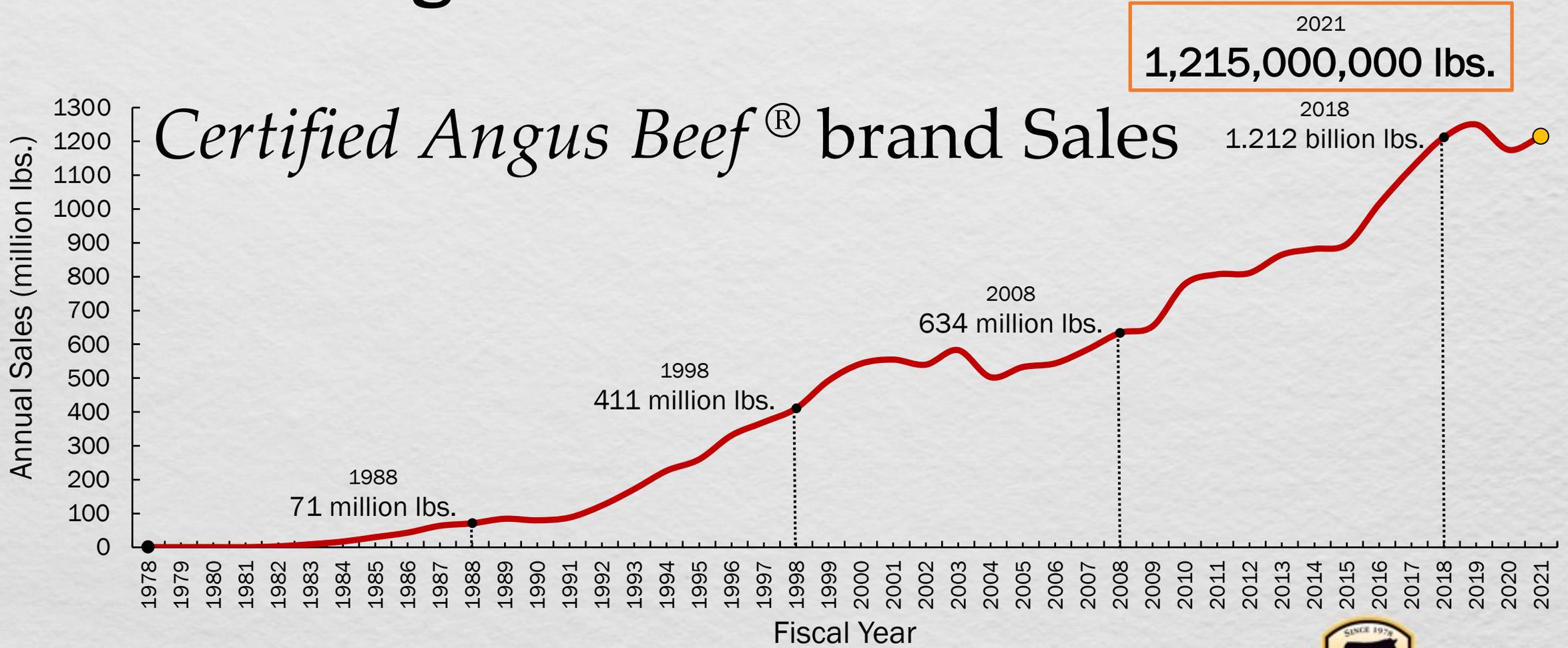


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FEEDING QUALITY
FORUM

Extending Trust With Consumers



2021
1,215,000,000 lbs.

2018
1.212 billion lbs.

2008
634 million lbs.

1998
411 million lbs.

1988
71 million lbs.

Source: Certified Angus Beef LLC



Extending Trust With Consumers

Strategic Intent

Market 1.5 billion pounds and increase brand loyalty 10% by 2025



Capitalize on a passionate, innovative, and collaborative team



Intentionally align supply chain around broadening consumer demands



Engage licensed partners and brand champions



Personalized and experiential resources



Tell and sell the brand story



Extending Trust With Consumers

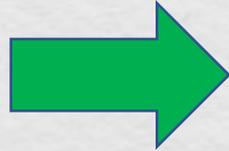
10 Specs delivered product performance

- Taste
- Tenderness
- Consistency

Keep the main thing
the main thing!!

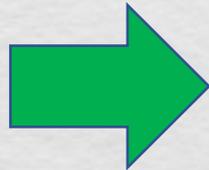
MARBLING & MATURITY

1. Modest or higher marbling
2. Medium to fine marbling texture
3. Cattle must be less than 30 months of age by dentition and only A-maturity lean



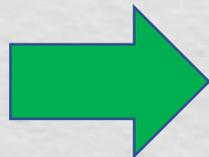
CONSISTENT SIZING

4. 10- to 16-square-inch ribeye area
5. 1,050-lb. hot carcass weight or less
6. 1 inch or less fat thickness

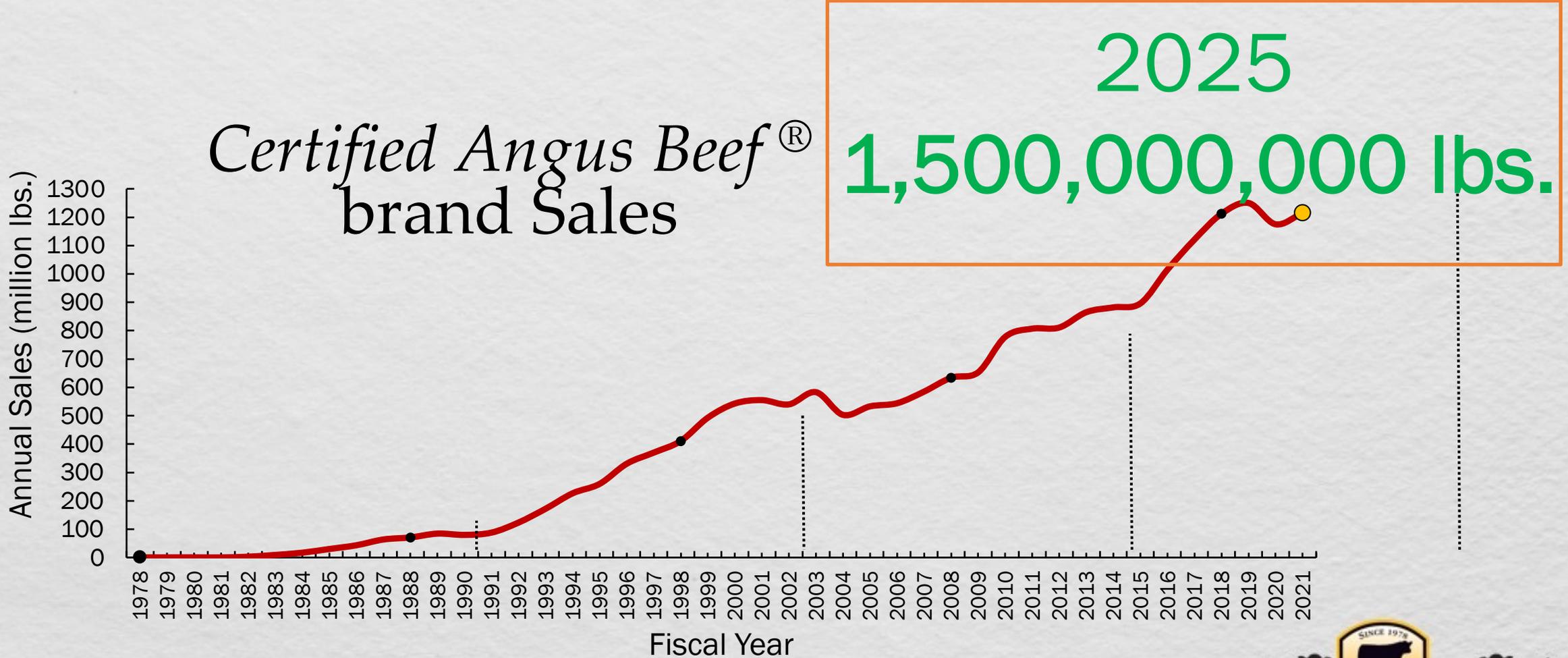


QUALITY APPEARANCE & TENDERNESS

7. Superior muscling
8. Practically free of capillary ruptures
9. No dark cutters
10. No neck hump exceeding 2 inches



Extending Trust With Consumers



Source: Certified Angus Beef LLC



Extending Trust With Consumers

1. Connecting Consumers and Producers
2. Cattle Care Programs
3. Environmental Stewardship
4. Communicate Sustainability with Consumers and Producers
5. Market the brand with a sustainability claim



Extending Trust With Consumers

1. Connecting Consumers with Producers

Consumers Trust



Cattle Producers



Extending Trust With Consumers

1. Connecting Consumers with Producers



TAKE A WALK IN THE PASTURE

Have you ever wondered what a farmer does on a daily basis? How cattle are raised and food grown?

A Virtual Pasture Walk at Atterholt Farms in Jeromesville, Ohio, is just what you and your team needs. Mandy Atterholt introduces you to her family and farm in a 15 minute video clip and is available to answer questions throughout the presentation.

Through this training, you'll learn:

- Why farmers choose Angus cattle over other breeds
- What cattle eat to grow and stay healthy
- How farmers balance farming and family
- And much more



For a preview of the pasture walk, click [HERE](#) or scan this QR code!



Contact your *Certified Angus Beef*® executive account manager or brand manager at 330-345-2333 to schedule.

NOT JUST ANGUS, THE *BEST* ANGUS

Why choose the *Certified Angus Beef*® brand?

- It's the very best Angus beef available
- Started in 1978 by family farmers and ranchers who still back it today
- 10 standards and abundant marbling ensure every bite is tender, juicy and flavorful
- Only 3 in 10 Angus cattle meet its high standards

Learn more at CertifiedAngusBeef.com



The McPeake Family

Arnoldsville, Georgia

One of many ranching families raising the very best Angus beef



PROUDLY SUPPORTING Michigan Farm Families

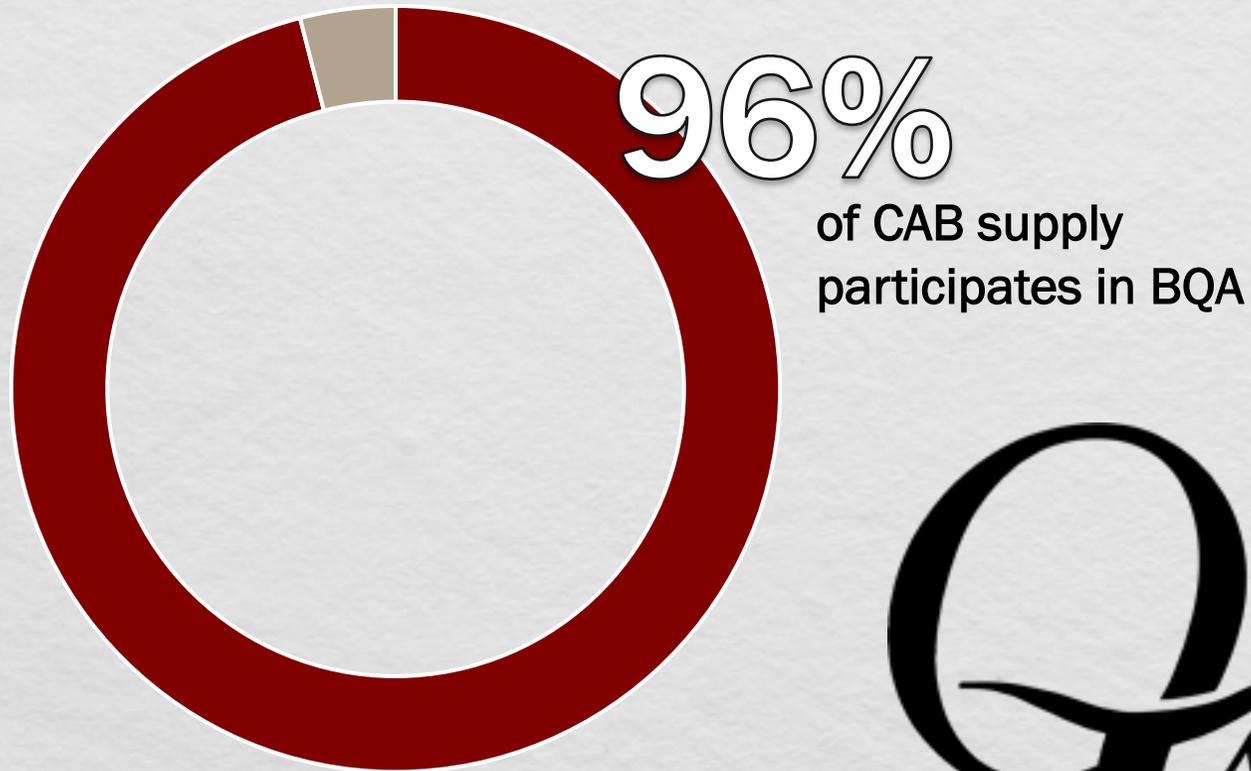
Available at
meijer®

The Boehmer Family
Charlotte, MI



Extending Trust with Consumers

2. Cattle Care Programs



Goal:

Engage all American Angus
Association membership



Extending Trust with Consumers

2. Cattle Care Programs

**GET BQA'D,
THEN GET
BACK TO
WORK.**

**CUT
THE
BULL**

GET BQA'D



**STOP
WAITING FOR
OTHERS TO
TELL YOUR
TRUTH.**

**CUT
THE
BULL**

GET BQA'D



Extending Trust with Consumers

2. Cattle Care Programs



Kirsten Nickles, Ph.D.

Sustainability and Animal Care Scientist



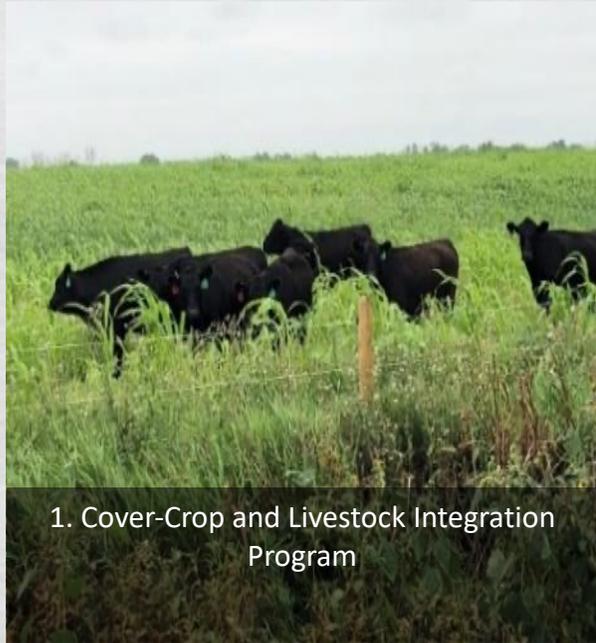
Extending Trust with Consumers

3. Environmental Stewardship



Extending Trust with Consumers

3. Environmental Stewardship

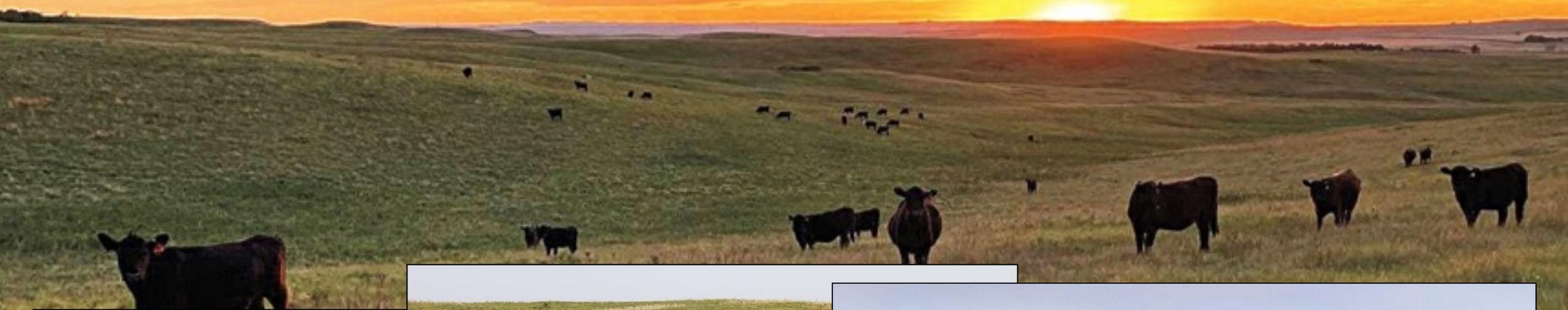


4 Rancher-Focused Conservation Programs



Extending Trust with Consumers

3. Environmental Stewardship



Working Grasslands

Extending Trust with Consumers

3. Environmental Stewardship



This is a long-term project: helping more farmers and ranchers and allowing us to tell a story of sustainable beef and conservation of natural resources.



Extending Trust with Consumers

4. Communicate Sustainability with Consumers and Producers



Extending Trust with Consumers

5. Market the Brand with a Sustainability Claim



BEEF RAISED TO A
HIGHER STANDARD



Scan to learn how the
Certified Angus Beef® brand
is sustaining family farms
and preserving the planet.



Extending Trust With Consumers



A Cattle Feeders View of Sustainability

Abram Babcock

President, Adams Land & Cattle



Agenda

- What is Sustainability from ALCC's perspective
- Who is ALCC and our Commitment to Sustainability
- GHG Projects



What is Sustainability and ESG?

➤ Sustainability for the Beef Industry



Air & greenhouse gas emissions



Land resources



Water resources



Employee safety & well-being



Animal health & well-being



Efficiency & yield

➤ ESG (Environmental, Social, Governance)

- Most publicly traded companies in our supply chain are implementing some type of ESG framework

ESG-mandated assets are projected to make up half of all professionally managed assets globally by 2024

Global assets under professional management (\$T)

■ ESG-mandated ■ Non-ESG mandated



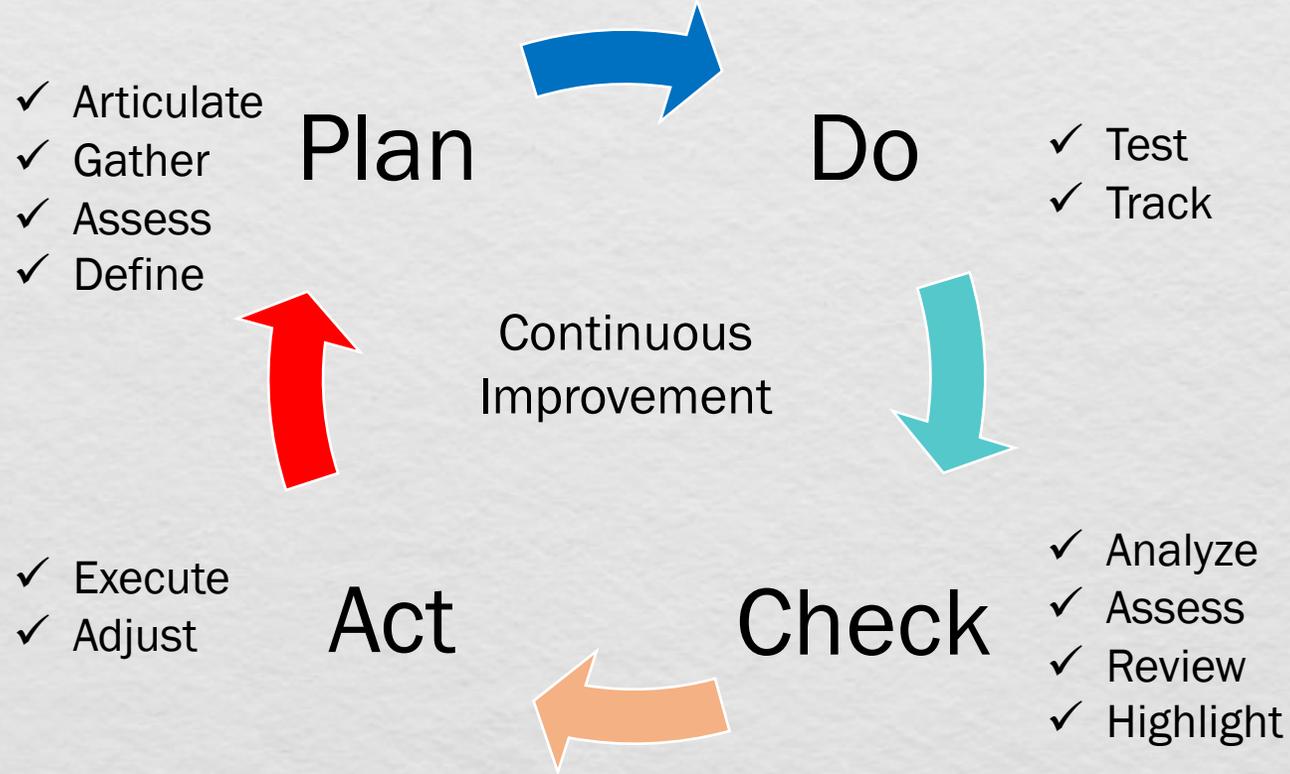
Note: All amounts are in US dollars.

Source: Proportion of ESG-mandated data through 2020 from Global Sustainable Investment Alliance; DCFS analysis through 2025.

Deloitte Insights | deloitte.com/insights



It's about Continuous Improvement



Adams Land and Cattle: History

- **1951** – Began backgrounding cattle to utilize roughage from farm
- **1973** – Incorporated; Changed to Finishing
- **1990** – Owned 6,000 acres; Reached a one-time capacity for finishing 30,000 head
- **2009** – Capacity to finish 100,000 head; Backgrounding Network capacity of 35,000 head
- **2022** – Capacity to finish 125,000 head in three different Finishing Lots; Backgrounding Network capacity of 110,000 in over 85 locations throughout US and Canada



Adams Land and Cattle: Our Commitment

Vision: We are building a business for generations to come

Mission: We feed the world high quality, safe, and sustainable beef



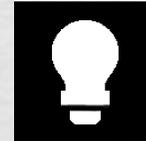
People and Community



Animal Health and Well-being



Food Safety



Efficiency and Innovation

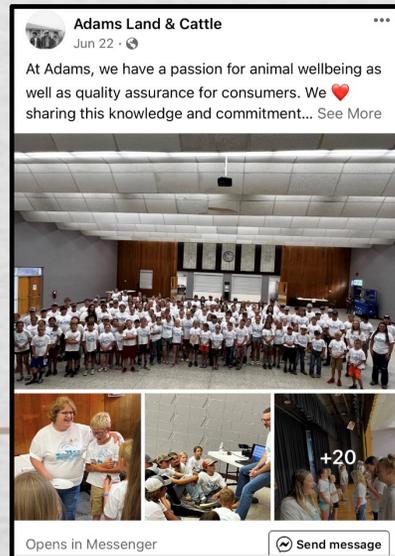


Environment



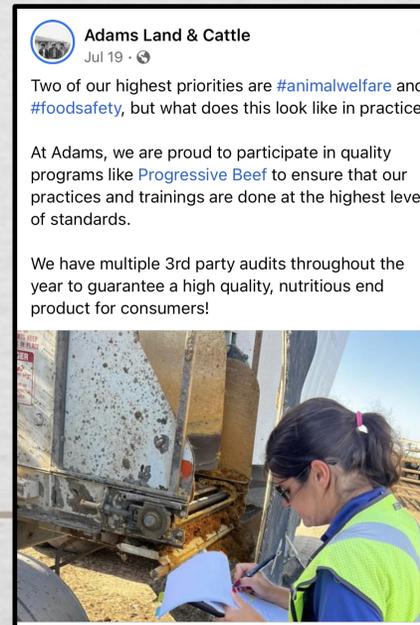
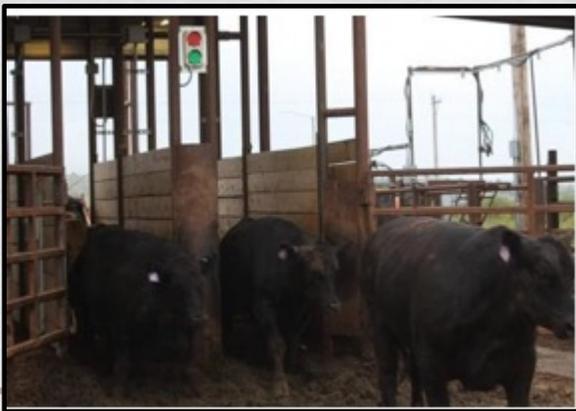
People and Community

- Safety and training
 - On staff safety and training coordinator, measurements (i.e., recordables, “hurts, safety concerns), third party audits
 - ADAMS University, Lunch and learns
- Employee engagement and Communication
 - New hire lunches, We are ADAMS Champions, department team building, ADAMS afterhours
 - Digital signage and mobile app for employees and spouses
- Community
 - Youth – Interactive Quality Assurance training, 3rd grade partner, Food 4 Youth
 - Community initiative – ADAMS compost days, Christmas giving tree, monetary donations, and community engagement (company and employees)



Animal Health, Well-being, and Food Safety

- Employees, backgrounders, truckers are all BQA certified
- Best practices are third party audited
- Training coordinator to ensure all employees are trained properly
- Cattle are electronically verified to ensure right cattle are getting on right truck and each animal is clear on withdrawals.

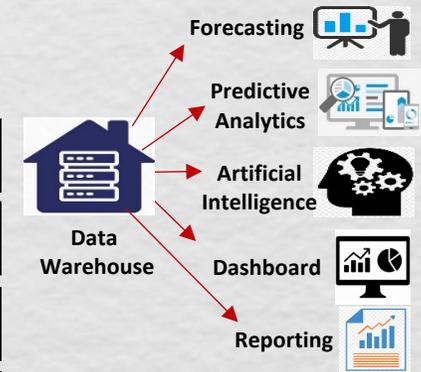
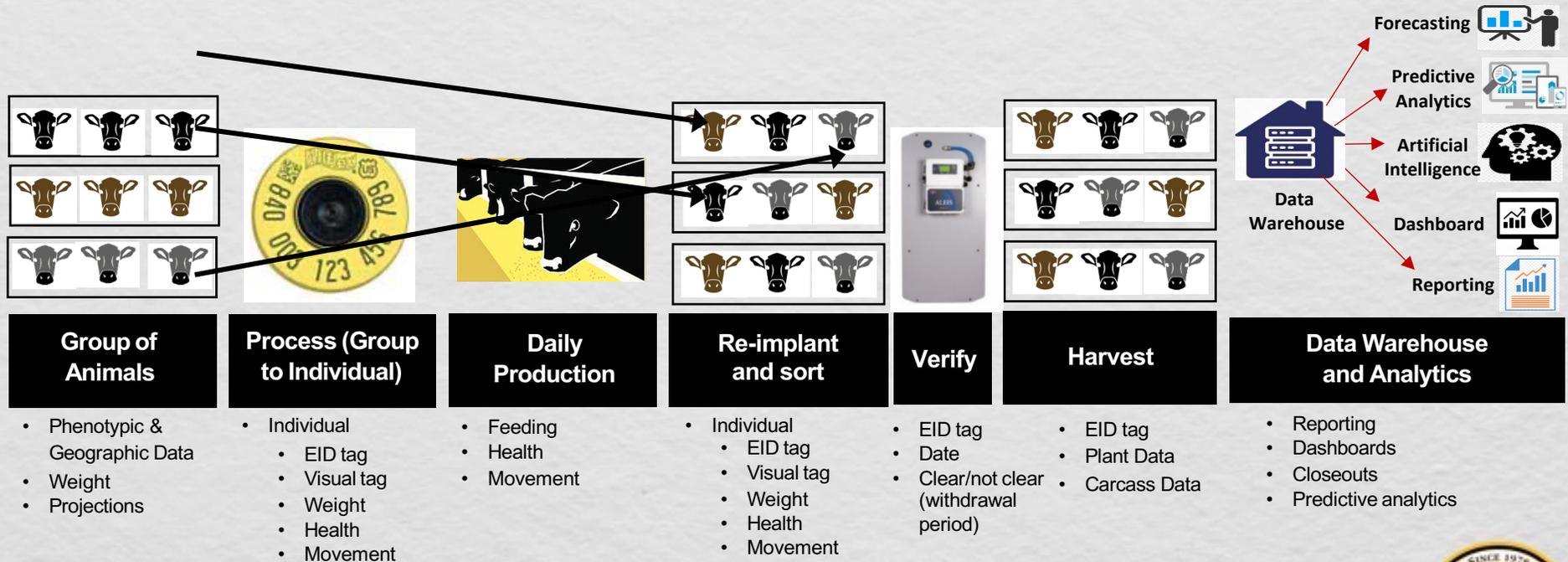


Innovation and Environment

DATA STRUCTURE FOR BLOCKCHAIN TECHNOLOGY

Individual Animal Data Collection System

Data Warehouse And Analytics



Calculating GHG Emissions as Cattle Harvest



Sale Date

8/2/2021 - 8/13/2021

Location

All

Age

All

Gender

All

Origin

All

Breed

All

Color

All

Performance Results vs Projections

Location	Pl W	Pay Wt	Targ Wgt	DOF.	P DO F	ADG	P AD G	F:G	P F:G	DMI	P DMI	DL%	P DL %	Act Rlrr%	P Rlr%	Feed/Other GWP100 (kg CO2e)	Total CH4 (kg CH4)	Total N2O (kg N2O)	Total GWP100 (kg CO2e)
-ALCC - Sout...	70	1,506	1,476	243	259	3.44	3.20	6.30	6.87	21.66	21.89	4.34 %	3...	1.6...	1.26 %	3,757	284	0.0040	13,411
-Paul Johnso...	56	1,489	1,476	254	266	3.27	3.16	6.71	6.89	21.94	21.79	4.65 %	3...	1.5...	1.24 %	3,968	294	0.0040	13,948
-ALCC - East ...	61	1,446	1,476	275	304	3.22	3.06	6.17	6.86	19.87	21.02	5.06 %	5...	1.6...	1.66 %	4,067	311	0.0044	14,648
Total	55	1,495	1,476	250	266	3.36	3...	6.41	6.87	21.55	21.78	4.50 %	4...	1.5...	1.29 %	3,850	290	0.0040	13,695

Location	Head.	CW	Yield	Prime %	CAB %	Choice %	Choice + %	YG 1&2 %	YG 4&5 %	Heavy %	Out %	Off %
-Paul Johnson &...	3,578	938	64.5 %	4.5 %	25.3 %	54.1 %	83.8 %	35.3 %	18.9 %	2.5 %	2.6 %	23.3 %
-ALCC - South Lot	7,358	949	63.9 %	5.1 %	26.2 %	56.7 %	88.1 %	32.6 %	22.4 %	5.1 %	1.3 %	29.0 %
-ALCC - East Lot	1,171	911	65.3 %	2.2 %	23.7 %	54.1 %	79.9 %	33.8 %	22.8 %	2.1 %	3.2 %	25.8 %
Total	12,107	942	64.2 %	4.6 %	25.7 %	55.7 %	86.0 %	33.5 %	21.4 %	4.0 %	1.9 %	27.0 %

	Actuals		Projections		Actuals		Projections		Feed Cost Diff		
	Per/Hd	Per/Hd	\$/hd/day	\$/hd/day	\$/cwt	\$/cwt	Feed Cost Diff	Rate	Volume		
FeedCost	456.63	545.71	1.83	2.10	54.36	66.48	(\$89.09)	(\$62.45)	(\$26.64)		
Yardage	92.08	98.77	0.37	0.38	10.96	12.03					
Overhead	33.14	31.19	0.13	0.12	3.95	3.80					
Processing	28.33	28.85	0.11	0.11	3.37	3.52					
Treatment	3.21	5.72	0.01	0.02	0.38	0.70					
Reimplant	9.65	7.64	0.04	0.03	1.15	0.93					
Freight	33.94	30.18	0.14	0.12	4.04	3.68					
Interest	21.03	25.72	0.08	0.10	2.50	3.13					
Railer	16.36	10.56	0.07	0.04	1.95	1.29					
Mortality	60.23	52.43	0.24	0.20	7.17	6.39					
Total	754.60	828.35	3.02	3.22	89.84	13.24					

Ing_Type	PM Cash Corn Price	Adj_Price	PM Ration Vs Corn Eq %	Act Ration Vs Corn Eq %	Ingredient_Type	PG Basis	Act Basis	Basis Diff
Grain	4.34	4.04			Grain	\$0.04	(\$0.27)	(\$0.30)
ByProduct	4.34	3.89			ByProduct	\$0.04	(\$0.41)	(\$0.45)
Other_Ingre...	5.35	3.93			Other_Ingredients	\$1.06	(\$0.36)	(\$1.42)
Ration_Corn...	4.55	3.99	104.92 %	98.86 %	Ration_Corn_Eq...	\$0.25	(\$0.31)	(\$0.56)
Beta-Agonist	1,356.61	1,410.90			Beta-Agonist	\$1,352.28	\$1,406.57	\$54.29
Total	4.61	4.05	104.92 %	98.86 %	Total	\$0.31	(\$0.25)	(\$0.56)

Calculating GHG at Individual Animal Level



Sale Date 8/2/2021 8/13/2021 |
 Location -ALCC - Sou... |
 Lot Number p317 |
 Gender All |
 Origin All |
 Breed All |
 Color All

Performance Results vs Projections

Location	Head	DOF.	P DOF	ADG	P ADG	F:G	P F:G	DMI	P DMI	DL%	P DL%	Feed/Other GWP100 (kg CO2e)	Total CH4 (kg CH4)	Total N2O (kg N2O)	Total GWP100 (kg CO2e)
Slaughter3	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880
p317	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880
985152017987754	1	284	214	2.16	3.43	11.07	6.88	23.86	23.61	3.23 %	1.64 %	3,990	327	0.0039	15,123
985152017987818	1	284	214	2.50	3.43	9.56	6.88	23.86	23.61	3.23 %	1.64 %	3,990	328	0.0041	15,134
985152017987835	1	284	214	2.61	3.43	9.13	6.88	23.86	23.61	3.23 %	1.64 %	3,990	328	0.0041	15,138
Total	520	268	285	3.25	3.12	6.42	6.91	20.87	21.40	5.43 %	4.44 %	3,925	293	0.0041	13,880

Sustainability Projects

- Green House Gas Emissions in Cattle Production
 - Building an Inset Supply Chain that's both climate-friendly and customer-friendly
 - Where we'll pay premium for cattle and for best practices
 - Providing individual animal production and carcass information back to the producer
 - Using CattleCom to calculate supply chain emissions
- Product launch October 2022



Sustainability Projects

- Applied for a large grant through USDA's Partnerships for Climate-Smart Commodities
- Title: Nebraska Sustainable Ag Initiative
 - Partners
 - Aksarben Foundation, First National Bank of Omaha, Farm Credit Services of America, CoBank, Pinnacle Bank, Valmont Industries, Adams Land and Cattle, Certified Angus Beef, Midwest PMS, University of Nebraska, Dr. Greg Thoma
 - Objective: To develop, test, refine, and bring to scale a sustainable framework for promoting the expansion of climate-smart practices across the beef industry
 - Program LCA models built by Dr. Greg Thoma into CattleCom
 - Leverage Valmont Smart Poles to monitor yard level GHG emissions and animal behavior/movement
 - Provide 250 feedlot with software and hardware to be early adopters of the technology
 - Aksarben will work closely with CAB to develop viable national and international markets for climate-smart beef

