

Bring on Spring With Upper Iowa Beef

Upper Iowa Beef | 2024 1st Quarter Newsletter

It's the time of year for all to start a new. Baby calves are starting to arrive, and the grass is showing signs of green. Planting will soon be here as spring fertilization and oats are already going in the ground. At Upper Iowa Beef, we have been busy with our spring projects as well.

We were fortunate to have a mild, mostly snow free winter in the Lime Springs area which allowed our construction projects to progress at a timely pace. Our wastewater upgrade project was completed in February and has made a noticeable difference to plant operations. This will allow us to stay in compliance with regulations as well as reduce the number of loads of waste that will need to be transported off site. A special thanks to Darin Koch for acting as project manager for this undertaking.

Our new cattle pens have been a blessing as well since completion last November. It has made accommodating all sized deliveries much better for the cattle suppliers. We now can hold an additional 160 head and have a drover's alley to move cattle stress free. Truckers have commented on the unload chute and the ease at which cattle come off the truck.

The cattle market has made a resilient comeback since bottoming in early December. We contracted a large percentage of our cattle buy for January to April of 2024 anticipating tighter fed numbers. The producers who took advantage of this have been well rewarded in their checks! Risk management is such an important part of cattle feeding in today's highly capitalized world. We need you to stay in business and to refill your yards. None of us know what the futures markets will do. What we do know is that when a profitable situation presents itself, we need to act on it.

A big "Thank You" to our cattle suppliers who attended our two producer meetings in November and December. We strive to provide information to all that will aid in their productivity and profitability. We value each of you.

Have a safe and successful spring planting season.



ATTENTION: PRODUCER REMINDERS

VET REQUIREMENTS

Upper Iowa Beef requires all suppliers to have a vet on farm at least **1x per year**. If you have had a vet on farm in 2024, please contact your cattle buyer and verify with them.

NO RACTOPAMINE

Please confirm with your buyer if you have ANY Ractopamine products on your farm.



BQAT REQUIREMENTS

REMINDER all cattle transported to UIB must be hauled by a BQAT-certified driver. This includes semi and gooseneck haulers. Supplier BQA and driver BQAT certifications must be on record with our main office. Please email these to cattle@upperiowabeef.com.



Update

Sustainable Beef Production

Now that we have gathered information on your sustainable production practices, we want to continue sharing your story and find ways to add value utilizing the data collected from your individual operations. The attached sheet contains statistics compiled directly from the surveys you completed. This has been an important tool that allows us to tell your story to our beef customers across the globe.

The survey data has allowed UIB to receive USDA approval to place the sustainability logo on our box! This is a huge step for Upper Iowa Beef that would not have been possible without your commitment to completing these surveys.

Continuous improvement is an essential part of sustainability for both Upper Iowa Beef and you as a cattle producer. We are committed to assisting in your improvement and raising the bar for your operation, allowing your legacy to continue for generations to come. Stay tuned for future educational meetings with industry professionals to help advance your operation.

Recap

2023 Producer Meetings



IA producer meeting held at the St. Lucas Community Center



MN producer meeting held at the Zumbrota VFW

An interested crowd of cattle suppliers attended the two winter seminar meetings we hosted in Iowa and Minnesota last November and December. After a prime rib dinner, multiple Upper Iowa Beef employees visited on plant updates and current activities as well as several industry educational topics.

Our company feels strongly about its desire to help you as a cattle supplier be better informed in your decision-making abilities for your operation. Transparency has always been the norm at UIB. We feel providing you with more information on your cattle will only help the entire beef industry. Carcass data coupled with individual tag transfer as well as muscle scores and trim data allows you to make more informed management decisions. Our newsletters and producer meetings are a part of this as well.

Keep watching upcoming newsletter issues for this season's planned gatherings.

Updates

FORWARD CONTRACTING

Producers frequently ask us what the cattle market is going to do and almost every single day we have a new answer for someone. The risk and volatility with not only the cattle market, but all agricultural markets, continue to be a challenge that farmers face in their day-to-day lives.

The 2023 and 2024 cattle prices will be one that producers will not forget. If we go back about a year ago at this time, March 2023 cash cattle were trading around \$164.00 and now cattle are about \$20/cwt higher. This fall, when the market was at its all-time high, the April 2024 CME futures reached almost \$200/cwt on the futures price. The October COF report showed placements up 6% which played a factor in the price decline. Consequently, April 2024 futures lost about \$30/cwt within weeks. (\$450/per head loss on a 1,500-pound animal)

Hedging your cattle with us can help your business operation succeed and have one less thing to stress about in your busy lives. We need our cattle suppliers to stay profitable, expand their operations, and to protect their assets for the next generation to come. **Contact your buyer for more information on profitably hedging your cattle with Upper Iowa Beef.**

TRI-STATE SUPREME

Momentum continues to build with our Tri-State Supreme program. We now have 50 operations that have tagged cattle on feed to be marketed via this avenue in 2024. We have had 23 new suppliers come on board since our meetings in early winter.

Upper Iowa Beef firmly believes in marketing quality products to our consumer customers. We are working hard to build our brand that is gaining popularity in both the domestic and international markets. Part of this quality assurance is from our supply chain of cattle coming into our plant on a weekly basis.

The beef industry continues to contract in size. Value added strategic alliances are a way to ensure the long-term viability and success of your operation. Programs such as Tri-State Supreme allow you to be rewarded for producing cattle that check the box.

If you are interested in learning more about being a part of this exciting program, please contact Lincoln or Travis. We would be happy to visit with you to see if this program would fit your needs.

Grading

Preliminary Yield Grade (PYG)

You have probably noticed the change from YG to PYG on your settlement sheets. An important part of the grading process is determining a preliminary yield grade, also termed as PYG.

PYG is a measurement of the fat on the exterior of the ribeye, most commonly known as back fat. It is measured at $\frac{3}{4}$ the length of the ribeye from the chine. This estimates the cutability of your cattle, meaning the amount of boneless, closely trimmed retail cuts each primal from your carcass will yield.

Less fat is desirable, however, you still want some fat cover on the carcass to ensure adequate gradability. A good goal is to have a PYG between 3.0-4.0. Excessive fat is not desirable.

Christina Speicher- Grade Supervisor In-Training



Location of PYG measurement



Animal Welfare

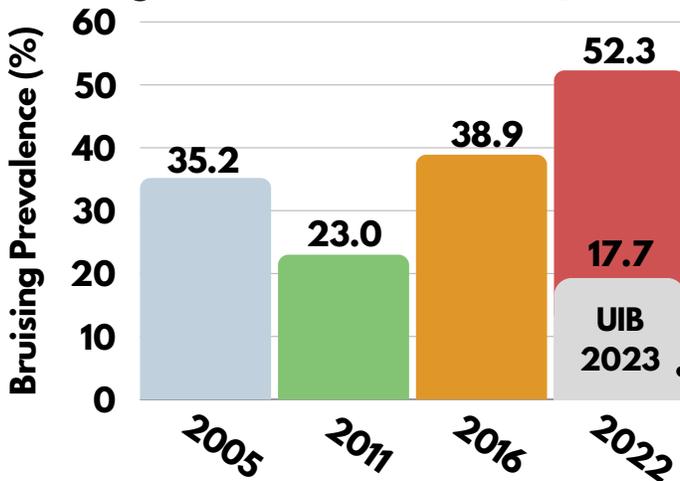
BRUISING- HOW IT AFFECTS YOU

At Upper Iowa Beef, we have learned that some of the smallest changes can make the largest impact. Bruising is one aspect that we have been focusing on recently.

In July of 2023, we began adding a trim report to the bottom of your settlement sheet. Each entry is matched back to the individual animal number and broken down by the area in which the trim was removed from the carcass. Simple changes such as rounding sharp corners in load-outs or reducing stocking density during shipping can help reduce bruising. The eight categories that we are currently reporting are:

- Loin Trim
- Rib Trim
- Round Trim
- Shoulder Trim
- Inside Skirt Removed
- Abscess/Internal Abscess Removed
- Condemned Gut
- Hanging Tender Removed

Bruising Prevalence - 2022 NBQA Audit



Bruising prevalence in 2023 at Upper Iowa Beef is **66%** lower than the national average reported in the 2022 National BQA Audit!

Recipes

French Dip

AUTHOR: Certified Angus Beef® brand Test Kitchen



Ingredients:

- 1 pound Certified Angus Beef® deli roast beef, thinly shaved
- 2 cups (16 ounces) low-sodium beef broth
- 2 teaspoons "Better Than Bouillon" concentrate
- 4 French rolls
- 1/4 cup spicy mustard
- 8 slices provolone cheese

INSTRUCTIONS:

1. PREP. Preheat broiler in oven. On stovetop in a small saucepan bring beef broth and bouillon to boil to dissolve bouillon. Reduce heat to medium-low, place shaved beef into broth/bouillon mixture, spread into an even layer, allow to heat through; turn off burner, keep warm. Open rolls, lay flat on a sheet pan then place under broiler 3 to 5 minutes or until lightly toasted.
2. BUILD SANDWICH. Spread 1 tablespoon mustard on bottom of each toasted bun, lay 1/4 of beef over mustard, top with two slices of provolone, shingled to cover beef. Broil 1 to 2 minutes just to melt cheese. Serve with remaining warm broth for dipping.

Don't forget to support your local retail outlets that carry Upper Iowa Beef.