



Presentation on Consolidated Beef Producers

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Market Comparison

1970

- Many retailers
- Many packers
- Many feeders
- Many ranches

2002

- Fewer feeders
- Fewer packers
- Fewer feeders
- Fewer ranches

1970

- Spot market purchases. Cash, live, or in the meat

V.

2002

- Some cash or meat, many formulas, growing Alliances and/or other forms of cooperative production.

1970

“Beef is King!” – John Wayne,
“Chicken is a commodity.”

V.

2002

“Beef is a commodity.
Chicken is King, and is a
branded product.” - Tyson

1970

Beef, pork, and poultry all inefficiently produce an inconsistent commodity product.

2002

Chicken is a consistent product; efficiently produced, microwavable, pre-seasoned.

Pork is rapidly integrating to achieve the consistency and production efficiency of poultry.

Beef is starting to integrate through alliances and other arrangements.



Consolidated Beef Producers

- Incorporated – April 2000
- First recruiting meeting – May 2000
- Membership rolls closed – Oct. 1, 2000
- Cattle enrolled – 2,100,000 +
- First employee starts work – Jan. 2001
- First cattle sold – March 2001



Consolidated Beef Producers

- Total Cattle on the show list March 2001 through Jan. 2002 1,300,797 head
- Total Sales 763,046 head
- Sold 59%
- In the beef sales 22%
- Grid sales 39%
- Cash sales 39%

For fiscal 2002 (10-1-01 to 1-31-02) grid sales added about \$.67 per cwt. over the cash market to the value of the cattle. This is about \$8.00 per head.