

## IMPACT OF GRADE CHANGES ON PRODUCT ACCEPTABILITY

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Official recognition was given to grades of beef in 1916 by the U.S. Department of Agriculture for the purpose of establishing a national market news service. In 1923, tentative United States Standards for grades of beef were prepared and issued in mimeograph form, and meat grading was begun for two government agencies--the U.S. Shipping Board and the Veterans Bureau Hospitals (Kline, 1981). These tentative standards were published as "Market Classes and Grades of Dressed Beef" in Department Bulletin No. 1246. These were the first grade standards for meat issued by the Department of Agriculture.

In 1925, hearings were held throughout the country for the purpose of discussing the proposed standards. As a result of these hearings, a widespread interest in marketing of livestock and meat was created. Then in mid-1926 a meeting was held for the specific purpose of discussing the advisability of grading and stamping the two highest grades--Prime and Choice. Some 150 cattle breeders and feeders attended this meeting and formed the Better Beef Association (Smith, 1980). This organization was formed to sponsor a grading service which would label beef so consumers would have a reliable guide to the quality they desired, to encourage the consumption of beef, and also to provide a means for reflecting consumers' preferences back to the producer. Today in the 1980's, the beef producers are still trying to produce the quality of beef the consumer desires.

Initially, the beef grade standards provided the basis for uniformly reporting dressed beef markets, according to grades. In addition, standards were used to identify beef quality in which consumers could use in buying beef. Hopefully these standards would increase the consumer's confidence and increase their consumption of beef. These standards became language of commerce for describing beef and were used in transmitting signals about consumer demand back to the farm and feedlot. The "quality" grademark is frequently credited as being a major factor in the consumer selection of beef. Although this is the basic objective of grades, most consumers are still unfamiliar with beef grade terminology. However, the retailer uses grades to maintain a uniform level of quality that satisfies their customers.

Changes in the official grade standards are always confusing, particularly to the consumer. However, standards for grades of agricultural products cannot be static, but they must be useful to the industry. In keeping with the philosophy, the Department has made changes in the standards as necessary to meet the changing needs of users of the system. There have been eight revisions to the official beef grade standards since they were introduced in 1926.

Changes in the standards have been considered for one or more of the following reasons: 1) to clarify the intent of the standards or to otherwise improve the ease of application or uniformity of their interpretation; 2)

to incorporate the results of research findings with respect to the importance of various grade factors; or 3) to keep the standards abreast of established changes in consumer preferences and livestock production practices.

The last revision of the standards was in 1975, which generated a record response. The standards were revised to eliminate consideration of maturity for determining quality for bullock beef and for steer and heifer in the youngest (A) maturity group (approximately 9-30 months). The minimum marbling requirements for the Good grades were raised slightly. In addition to these changes, conformation was eliminated as a quality grade factor and all carcasses graded also would be yield graded.

The 1975 revision created a lot of comments from the consumer and people in the beef industry. The main concern of the consumer with the quality change was "we will now be paying Choice prices for Good grade beef." This reflected the fact that many consumers felt that they would be getting lower quality meat and still be paying the same price. The questions that should be asked are "is the consumer satisfied with today's beef?" "Are we as beef producers producing the kind of beef the consumer wants?" There is a lot of comment that the beef industry is not. Such comments is what has motivated the industry leaders to look at the beef grading system. In January 1981 a National Beef Grading Conference was held at Iowa State University. Since that time the National Cattlemen's Association petitioned the U.S. Department of Agriculture asking for a change in the present beef grade standards.

On December 29, 1981 the U.S. Department of Agriculture issued a proposal to revise the official U.S. Standards for grades of carcass beef and slaughter cattle. This proposal would allow leaner beef to qualify for Prime and Choice grades but not significantly lower the palatability of either grade. Also in the proposal the grade "Standard" would be eliminated.

In response to the proposal there are many questions to be answered to insure that changes are necessary. First, I think that we as producers must look at the product we have and how it is being accepted by the consumer. Will changing the standards improve the acceptance of our product? Will changing the standards assure profitability in a beef operation? Does the consumer really know what she or he wants from our product? Have the standards been used to transmit signals from consumer to retailer and purveyor--to packer to cattle feeder, then to beef producer?

The reluctance of the consumer to buy beef is a result of two factors influencing their attitude. First, I think beef in the market place is fighting a battle with price. Anderson (1980) reported that the cost of beef at the retail meat case was consumers' number one factor in determining their selections. Consumers are engaged in a constant battle to minimize expenditures and maximize value (Smith, 1981). If lower prices can be paid, they will. The second factor influencing consumers' attitudes is nutrition and health (Anderson, 1980). In the mid-1970's beef received a lot of adverse publicity that it was bad for your health. The Dietary Goals of 1977 told us, "Americans should decrease

consumption of red meat." Then in 1979 the American Society of Clinical Nutrition reported that a relationship exists between cholesterol/saturated fat and coronary heart disease. Beef was further implicated when it was reported to be high in cholesterol and saturated fat. The beef industry is still battling this image problem in the 1980's. As a result of this, consumers are saying we want leaner beef. Have we fell into their trap to the point of ruining the quality of our product that has been enjoyed for so many years?

For the past 200 years Americans have had a great love affair for beef (Kingsberg, 1981). Beef has a universal flavor appeal and people do not get tired of beef. Consumers want beef to be consistently tender, juicy and flavorful (Berry, 1981). Someone else has pointed out that consumer acceptance is taste, tenderness and satisfaction of the cooked product. Some people argue that beef must contain a certain amount of carcass fat to insure the flavor or taste, tenderness, juiciness and that quality we all know as palatability. Research has confirmed for some time that marbling and maturity are the two most important factors that can be used in grading the identifying differences in palatability (Kline, 1981).

Changing the marbling requirements in our beef grade standards may be diluting the quality of our excellent product. Even though the consumers say they want leaner beef, I don't think they know what contributes to the good flavor they enjoy. In a 1980 survey sponsored by U.S.D.A., consumers had little knowledge of beef grades (Wardell, 1981). Even though marbling only accounts for about 10% of the variation in beef palatability, it is most always consistent enough to account for that much difference (Dikeman, 1981). Also, Dikeman points out that fat thickness is an indicator of some of the same things that marbling indicates. Researchers at Texas A&M, Colorado State and Kansas State have proposed that either fat thickness or marbling be used in conjunction with maturity, lean color, firmness and texture in determining quality grade. With the use of fat thickness and reduced marbling requirements they suggest these changes will not result in less desirable choice grade.

In regard to grading I think we have to remember that grading is classifying or grouping variable products into uniform classes (Fredeen, 1981). Grade standards were not intended to be used to determine value, but to group products for marketing. The market system and segments of that system are the ones who determine the value of these grades. If there are too few of a grade, these bring a premium. Conversely, too many of a grade bring a discount.

#### SUMMARY

To assure that beef will continue to enjoy U.S. consumer favor, the beef cattle industry must endeavor to make sure that cattle are not overfinished. Their product must be flavorful, juicy and tender for the retailer, hotel, restaurant and institutional trades. We must be careful that changes in grade standards doesn't dilute the acceptance of our product. Changes in grade standards does not assure us profitability.

For profitable areas we should take a look at our efficiencies of production, processing and distribution of our product. Remember, consumers like our product, but we must create a desire in their minds that she/he wants to eat more beef regardless of price.

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