

Bryan Schaaf:

Back here on the Meat Speak podcast, powered by the Certified Angus Beef brand. I'd like to say this has become tradition but this is geared to, and I don't know what the unofficial rules of traditions are, but I think you actually have to have three of something for it to be considered official, but this is Thanksgiving week. Of all the many things that have gone on in 2020, we have an awful lot to be thankful for, certainly with what we get to do on a daily basis. We want to reach out and really spend a day talking about, and too, some of the people who you forget about how important these folks are. They're people who are raising the food that we consume every single day. Of course, we're talking about farmers and ranchers and I'm super excited to be joined here first by meat science, Diana Clark. How are you?

Diana Clark:

Doing fantastic.

Bryan Schaaf:

Excellent. And coming to us on the line via Zoom all the way from Saint Joseph, Missouri, a proud Michigan State Sparty, Mark McCully, the chief of the American Angus Association. How you doing, sir?

Mark McCully:

I'm doing outstanding. It's great to be with you again.

Bryan Schaaf:

We're so-

Mark McCully:

[crosstalk 00:01:23] tradition. Two years, we're going to call it a tradition.

Bryan Schaaf:

We can make it official. Now, if you go back and listen a year ago, you were actually here in the studio with us, right, at a time when travel restrictions were a little different and what not, and you were still in Worcester a good bit of time anyway, here in Ohio, but Tony Biggs barged in a couple minutes in and he had steak and eggs for you. Tony Biggs is apparently slipping because he's not here and I don't smell any steak or eggs anywhere.

Mark McCully:

Well, I keep looking at my door thinking somebody's going to be knocking to surprise me with steak and eggs. Tony set a pretty high bar, pretty high expectation last year and I'm going to be a little disappointed. I'm going to be totally honest if we got out of here without somebody coming in with a big, ole porterhouse and some eggs over medium.

Diana Clark:

I'm a little upset that Tony's never provided me steak and eggs for our podcast recording. What is this?

Bryan Schaaf:

Tony, you've got some explaining to do. I will say I have not seen Tony all week here, so there is a very good chance maybe it's because he was making his way to St. Joseph, Missouri. I mean, who isn't making their way to St. Joseph, Missouri, right? Because St. Joseph, Missouri is home to the American Angus Association. Mark McCully, there are a lot of people who listen to this podcast who are meat heads. They are on the culinary side, they're on the end-user side. They don't necessarily always think about that there is an American Angus Association behind this. Tell us about the association, why the association exists and a lot of the things that you guys are doing right now.

Mark McCully:

It's probably a part of the beef supply chain that sometimes is a little out of sight, out of mind if you're a consumer or an end-user of our products, but if you're on the production side, you'd have a lot more familiarity with it obviously, right? What the association is, as you would imagine, it's a group of breeders, and actually getting ready to celebrate our 137th anniversary. But, we represent about 25,000 Angus members across the country that raise registered Angus seed stock. They're the ones producing the bulls that go out into the commercial herds to raise the feeder calves that eventually fuel our beef supply chain.

Mark McCully:

So, really at the very, very, very beginning of this whole beef supply chain, there are these registered Angus breeders. We represent them in a lot of different ways. We have some small breeders that have just a few cows. We have some that are much larger. And, we offer programs and services as an association to support each and every one of those. We do a lot of things with our youth programs and developing the next generation of Angus breeders.

Mark McCully:

Again, there's a lot of stuff going on, pretty diverse program, but it's been a great year.

Bryan Schaaf:

Excellent. Mark, can you shed some light on the beef industry as a whole? Our guest coming up, our second guest I should say, who is going to be joining us is a gentleman named Jonathan Perry, who's down in Fayetteville, Tennessee and he runs Deer Valley Angus. He also has a restaurant that he owns, too, because apparently he has a lot of hours in the day. Because two 60 hour jobs in a week, it just isn't enough. He's going to talk to us about their operation. They're a seed stock operator, which I think a lot of folks think, "Oh, you have a farm. You raise cattle. You send them to harvest. You eat them." There's a whole lot more going on in the chain.

Bryan Schaaf:

Can you talk a little bit about the different systems that are in place down the beef chain that have evolved honestly to get cattle that finish at a high quality endpoint, and also those folks at the very beginning of the chain, who the last thing they ever want to do is take one of those animals to harvest. The amount of work they've done on the genetic side to make sure they're continuing to better the breed.

Mark McCully:

You think about these folks have to be really looking with a long lens and the decisions that they're making literally today aren't going to come to fruition for many of the listeners of your show here for another literally five to six years. Again, really looking with a long lens and really trying to be progressive and think about where we need to make cattle better ultimately to produce a better eating experience for the consumer.

Bryan Schaaf:

Outstanding. Well said. Tell us about yourself. You are, and I say this understanding there might be a little animosity in the room here. Of course, Diana Clark is a proud graduate of the Fighting Illini. You're a Michigan State guy. Tell us your story. How does one become the head, the chief, the CEO of the American Angus Association?

Mark McCully:

Well, I don't know about what ... The path I've been incredibly blessed and fortunate in some many different ways, but I'm a small farm kid from central Illinois and just grew up with a small family farm, but loved the cattle. Always loved the cattle. Central Illinois is a little bit more row crop and farming country, but I loved the cattle. Again, we didn't have a big operation to go back to so went on to school to study animal science and from there, just got lots of different opportunities to learn about the industry, to meet some fascinating people, have some great mentors and folks that just helped me along in so many different ways. Ended up in graduate school up at Michigan State. I do root for the Sparty's quite frequently but my undergraduate was at Western Illinois University in McComb. I started actually at Lakeland Community College and was a part of livestock judging teams.

Mark McCully:

Probably many of you listening, that's going to be a pretty foreign idea but went through college actually on scholarships to go judge livestock and be a part of intercollegiate livestock judging teams. I had the chance to go coach the team at Michigan State. Tom Izzo didn't call me for any coaching advice, but we were there at the same time. From there, just had the opportunity to go to work for a livestock marketing cooperative where we helped farmers and ranchers market their livestock, which led me to an opportunity to work with Certified Angus Beef, which turned into a job interview, and then I went to work for Certified Angus Beef and had the great opportunity to be there for about 19 years, and then last summer, I had the opportunity to make a little switch within the Angus family and come out here to St. Joseph, Missouri to take on the role of CEO of the parent company and have been here now since last summer.

Mark McCully:

It's been not the first year I had anticipated, but it's been a year that I will always remember. How about that?

Bryan Schaaf:

Well put. Diana, tell us about it, if you could ... Obviously, Mark talks about all of the decisions that are being made back at the ranch, different genetic decisions, different feeding decisions, things like that. Talk about how that has translated to the end product. What are you seeing from a meat science end? It would appear as though there's been a continual progression in the quality endpoint of beef to the point that you almost never see select beef anymore.

Diana Clark:

Yeah, that's a really good point. First and foremost, I do just want to point out how many great people come from the state of Illinois. Just want to throw that out there. But really, just to drive that home, when I was in college ... I graduated from the University of Illinois in 2011. During that time, we would talk about prime grade during our meat judging classes, just talk about how there's not that much of it. Dr. Tom Carr, my primary professor, he would drive home to us, because I did meat judging, that you don't always call prime because there's really not that much out there, so you really need to make sure that you're right when you're calling it prime. With that being graved in our head, because it would be about 2% would be that USDA Prime. 2% to 3%.

Diana Clark:

And now, this past year was 11%. It's incredible to see how the genetics have come so far, and to me it seems like such a short period of time, but really, like Mark was saying, they were planning this out five, six years in advance. We did see that in 2012, there was a major drought that happened within the United States, and I think that caused a lot of those farmers and ranchers to make decisions to save the best genetics, and now we're seeing that effect in the market today and we continue to see it grow. It really is awesome to see how much high quality Angus cattle specifically are out there, but then also to see on the consumer endpoint of the demand for it. Consumers want more marbling. They want more flavor, and that's just continuing to drive the demand for registered Angus cattle, which is awesome.

Diana Clark:

For Certified Angus Beef, that mission is just really I feel like being complete by it and it just helps motivate us each and every day.

Bryan Schaaf:

Excellent. Well said. Mark, I've been with Certified Angus Beef for 10 years now. Crazy, right? One of the early presentations that I actually sat in that you gave that has always stuck with me was the basis of ... Certified Angus Beef, all of the copycat programs that have come along after, everything sprung from a result of a time when the USDA actually relaxed the grading standards because there wasn't as much high quality beef in the marketplace. Did you ever think we'd be to the point now where not only are we not seeing select beef nearly as much, we're seeing so much prime that even if it's not officially sorted, in our minds we're saying, "That's prime. That's super prime."

Bryan Schaaf:

You're starting to see such an abundance of it. Did you ever think that the industry would get to this point?

Mark McCully:

It's funny, the cool thing about PowerPoint is you save all these old presentations so actually every once in a while, I'll, for whatever reason, go be looking for something and I'll find presentations that I gave to producers literally 20, 25 years ago. It is funny to have that perspective of where we ... We've always known that marbling, which is the driver of grade ... primarily the quality of grade ... it's a highly heritable trait, which means we can select for it and make progress. There's some other traits out there, like fertility, is actually not ... Most of the differences we see in fertility are about the environment and

less about genetics. This is just fundamentals of animal breeding but we've always known that marbling is very highly heritable.

Mark McCully:

What I would have not maybe predicted accurately is how much room there was ... I always knew we could make progress. What I thought might happen is, as to the example Diana made that we used to be at 2% prime and now we're at 10%, or at one point, we were at 14% of Angus type cattle meeting the brand specifications and now we easily run in the mid-30s. What I thought might happen, or what I underestimated, was the demand component of that. What I meant by the reason we've continued to see that number grow and more genetic selection pressure put on marbling is because the premiums in the market have continued to stay large for prime and for certified Angus Beef. We've not oversaturated, if you will, the market.

Mark McCully:

So, the signal is still being sent to the producers to say, "Bring it on. We want more." I thought maybe when we hit 3% or 5% prime that the signal might go away and that spread might really compress. That hasn't happened so it's just told producers, "Hey, consumer, both here in the US and the consumer around the world, wants more." And the beautiful part of this now from an animal scientist and a production standpoint as the cattleman, I can select for marbling and not have to sacrifice other things. It's not an either/or thing where, "Do I have to make the product better and give up a bunch of pounds or performance or efficiency?" It's not, and that's the great thing about what we're able to do here at the American Angus Association is put tools in cattlemen hands, numbers and data and things to help them be able to make the product higher quality and then also create improvements in efficiency.

Mark McCully:

It's not an either/or, it's an and, and that's really a sustainable situation.

Bryan Schaaf:

Excellent. Mark, if we could change gears here, I wanted to bring up a topic that I had heard a couple times and actually, it's top of mind because I was in Chicago recently and I heard it there, too ... was this idea that 2020 ... If you'll remember, there was a point where packing plants had to slow down and pinch production a little bit of COVID happening, and beef prices went through the roofs. You can look back at charts. Years from now, we can look back at 2020 and be like, "I know what happened there" when we see the spike. There is this notion that the farmers and the ranchers had a really good year financially because beef prices to the end-users got really, really high. Not exactly the case, correct?

Mark McCully:

Not exactly the case, and in fact, maybe not at all the case. What we saw was a market that was doing its job. The job of markets is to rationalize supply and demand. And, it did. When the plants had to shut down because of COVID, when distribution shut down, when the supply shut down and there was only this very limited amount of product coming out the spigot, the market did what it's supposed to do and it rationalized it. So, the prices went through the roof. So, that's what happened but no, those dollars unfortunately didn't ... That wasn't this big windfall that came back in the cattleman's pockets.

Mark McCully:

In fact, it's been a really rough year. In some regards, as I've talked to so many of our members, from coast to coast, wherever, but so many of our ranching partners that are in ... Again, think ranching country, right? The Dakotas, Nebraska, Montana, Texas and Oklahoma. This idea of social distancing. Not a new concept for them, right? They've been doing that for a while. The market, though, has ... They're essential employees. The cows don't take a break from needing [inaudible 00:20:27] and things taken care of. These operations go 365 period. So, in some regards, life hasn't been changed maybe a lot but this market got really, really ... It just got so unpredictable and the reality is when there was this backlog when the processors couldn't work, then the finished cattle couldn't come out of the feed lots so we got this backlog of cattle finishing in the feed yard, which put more back pressure back onto the cow/calf producers that their feeder cattle that would be typically flowing into the flow yard, there was no room yet.

Mark McCully:

We had to work through this glut of supply we ended up in the feed yard. So actually, feeder calf prices were suppressed through that and still are. That's the reality. I guess another quick point, because this is something that I think doesn't get ... When we talk about our members and our seed stock breeders, they in many cases have one payday a year. They sell their seed stock, their bulls, in particular, and that's their one sales event of the year in many cases. Most of, or many of our producers, especially through the Midwest, their bull sales are in January, February, March, April, May, so you think about last year when COVID first hit and we started seeing all this shelter in place and all of the early disruption that we had created by COVID, that was right on top of the one sale day that our members had to sell and generate their revenue for the entire year.

Mark McCully:

What we found, and this is where we worked with our breeders to help them with obviously more online ... I'm sure many of your listeners, if they're in the restaurant business, had to change their business model and look at different opportunities to deliver food to the consumers. We had to find different opportunities to deliver bulls to ranchers, and using far more online and digital methods, videos, internet bidding, all sorts of different things to innovate to help our breeders get through that one-day sale event that had to occur because ranchers needed bulls to turn out with their cows. So, probably an element of COVID that many don't think about but it was very, very substantial to our members.

Bryan Schaaf:

Well, I'll tell you what. On that note, we are going to pause and take a break. If you wouldn't mind sticking around to come back after, we are going to have a chat with one of your members, actually, Mr. Jonathan Perry from Deer Valley Angus down in Fayetteville, Tennessee. That's about 20 minutes south of Jack Daniels, if you need to picture where that's at. One of the most beautiful areas honestly in the country that I think most people never get to. Jonathan is going to talk about a lot of those challenges that Mark, you just talked about and how they have managed to get through the year. He is also an interesting guy because he has a restaurant in his possession, as well. Misery loves company right. The problems ranchers had to deal with this year, you've also got a restaurant as part of a restaurant industry that has been pretty well documented in terms of how that's gone this year as well.

Bryan Schaaf:

So, Jonathan, super interesting guy. Really excited to hear what he has to say. If you will, stick around here on the Meat Speak podcast, powered by the Certified Angus Beef brand.

Bryan Schaaf:

Back here on the Meat Speak podcast, powered by the Certified Angus Beef brand. We are paying homage to the farmers and the ranchers in the cattle industry who are committed to raising high quality, consistent beef. Coming to us on the line all the way from Fayetteville, Tennessee in honestly one of the most beautiful parts of the country that I think most people never, ever get to see it. Sir, we have Jonathan Perry from Fayetteville from Deer Valley Angus, and he's got a unique situation where he's not only a rancher who raises cattle, manages cattle, but he's got a restaurant as well so he gets to put one foot in both sides of the industry from raising cattle and also cooking up steaks and what not for restaurant clientele. Sir, how you doing?

Jonathan Perry:

Great, Bryan. How are you today?

Bryan Schaaf:

We're doing all right, and my coffee's still hot so it's a good start to the day for certain.

Jonathan Perry:

That's good.

Bryan Schaaf:

If you could, tell us about Deer Valley Angus. We work with a lot of farmers, and a lot of farms that we happen to come across, they're third, fourth, fifth generation. They've been in the family since ... You guys are a little different in the fact that you guys are the product of a NASA rocket scientist who was interested in cattle, correct?

Jonathan Perry:

Correct. Deer Valley is located in south central Tennessee. Fred Clark, the owner of Deer Valley, started it in 1988/89. He grew up in northeast Arkansas. Grew up on a farm in Arkansas and loved agriculture. Was fortunate enough to go away to college, get his PhD in electrical engineering. Knew at a young age he wanted to work on the space program, wanted to work with NASA, so he found his way to Huntsville, Alabama, actually got his PhD while in Huntsville working for IBM and was very blessed to work for IBM for several years before starting his own company doing research and design and analysis on weaponry defense systems for the government. That industry allowed him to be able to get out and afford to buy some land and start an operation that was taking him back to the roots where he grew up and how he grew up.

Jonathan Perry:

He loved the coat and tie and the world he lived in there, but he'll tell you any day of the week that he could shed that coat and tie and put on bluejeans and come play in the dirt. He was a much happier person. It started in 88/89 and has grown into quite an operation. We encompass about 6500 acres here in Lincoln County, Fayetteville, Tennessee. We run somewhere close to 2000 registered Angus cattle.

Our main primary business is selling commercial Angus bulls to customers across the country to raise great Certified Angus Beef. That's really the core of our business.

Bryan Schaaf:

Bless you, sir.

Jonathan Perry:

We scatter registered seed stock across the country. We sell in the neighborhood of 500 bulls a year, close to 500 females a year out into seed stock operations to raise genetics from the female side to other producers, but our main goal and our main task every morning when we wake up is to raise quality Angus bulls that can go out and impact the meat business.

Bryan Schaaf:

That's fantastic. You guys fill a specific niche. We'll talk a big more about the restaurant in a little bit here, but it seems like the more time goes by, the more people get farther and farther away from the farm. The cattle industry is one, there's such a push for the farm-to-table movement. We know chefs who grow their own vegetables, serve them in their restaurants. It's great. You have a foot in both sides, but you can't necessarily or wouldn't necessarily take your own cattle, cut out the whole middleman and go straight to the restaurant, correct?

Jonathan Perry:

Correct, Bryan. For multiple reasons. One is our primary objective here is to raise breeding stock. For a lack of a better way of saying it, we're at the top of the chain. We are fortunate enough to have genetics and make decisions genetically that affect the industry all the way down the line and our objective is to try to figure out how to raise quality product in volume every day in a sustainable, healthy manner. That obviously is our objective. The other side of that coin is I get it every day at the restaurant, "Why do you not serve Deer Valley Beef at the Hickory House?" I try to give them an analogy that Certified Angus Beef has one of the most unique systems in the industry. Here, if we were harvesting cattle, it would be a very small scale relative to where Certified Angus Beef comes from. Certified Angus Beef is able to reach into the market where thousands of animals are harvested every day and only take the elite top cuts out of that chain to send to restaurants and grocery stores every day.

Jonathan Perry:

Here, on a smaller scale, if we tried to do that we would basically stuck with everything we produce, whether it's perfect or on the bottom side not where we want it to be. It is a much better system that really changes the consistency and the quality of the product on an everyday basis.

Bryan Schaaf:

Well said. We always try and tell chefs when they talk about, "Well, I just want to get a whole cow from the farmer down the road." We'll say, "Cool, are you going to have some specials featuring eye of round steaks?" Things that you don't typically see in restaurant operations. Cattle aren't just filled with rib eye steaks, right?

Jonathan Perry:

We get that all the time. People don't realize that an animal has one rib eye. It's a left and a right side. We get X number of steaks out of it. We have people come to the farm wanting to do the exact same thing you're talking about and I'm like, "Okay, what are you going to do with the rest of that product? What are you going to do with the cuts that are not as desirable or not as easy to prepare and cook and serve?" The system's not as easy farm-to-table as people think.

Bryan Schaaf:

Yeah, they're not just beef pinatas filled with tenderloins as soon as you ... Well, tell us about yourself personally. Farming background, are you from the Fayetteville area?

Jonathan Perry:

Actually, Bryan, I grew up in south Georgia. Grew up on a cattle and farming operation. Been in the business all my life, loved it from day one. Went to college, supposedly going to get educated, go do something great and wound up right back up where I started because it's my love. The process in the cattle business is very slow relative to what most people think. From the day that we dream up a mating and we start the inception of creating offspring, we're looking at basically 24-30 months before that comes into fruition and we actually harvest those animals and see how good a job we did of creating a product. That is a labor of love. It's the way we like to say it.

Jonathan Perry:

You got to have patience and love for what we do to do this business. We're 100 degrees in the summertime, we're below freezing in the wintertime. We deal with mud. We deal with snow, we deal with rain. The elements are not in favor on most days, but we love what we do. We're tied to the land, we're tied to agriculture and that's what the rest of the world may not realize that producing a sustainable, healthy, high quality product for the world is not an easy task. We take it very seriously and we enjoy doing it. It's something that I tell my own children. If you don't want to work hard, and you don't want to spend countless hours doing things the hard way, then don't consider being in this business. But, if you want something that's extremely fulfilling and it'll teach you everything you need to know about life, we're in that industry every day.

Bryan Schaaf:

Understandable. I grew up on a dairy farm up here in Ohio, and unlike what you guys do-

Jonathan Perry:

[crosstalk 00:33:38].

Bryan Schaaf:

Oh, yeah. Well, but you know at the end of the day, though, when you're on a dairy farm producing milk, you have a finished product every single day. You guys are making decisions today that you may not know if it was a good decision or not for a year and a half, two years. What does a typically day look like for you guys on the farm or on the ranch?

Jonathan Perry:

We're pretty big. We're pretty spread out. Obviously, we are blessed to have a sizable crew. I tell everybody we have too many employees on payday, and not near enough the rest of the month. There's

always more to do than we can get done, but we scatter out every morning and our first task of the day is checking the animals, making sure they're healthy, making sure they have feed and water, making sure that there's no sickness or illness in them and making sure that everything is going in the right direction, which usually takes us til 10:00 or 11:00 every morning when we all gather back up, and we'll take on a task for the day.

Jonathan Perry:

Some days, it's vaccinations and preg-checking. Some days, we're actually ... We do a lot of artificial insemination here, so we spend a lot of time setting up protocols, bringing cattle in and getting them ready to breed and getting them bred. We end our day the way we started it. We're right back in the pastures checking for health, checking for issues again at night. It's never ending. We do quite a bit of row crop farming, as well. We grow basically everything they eat on the place, so we spend a lot of hours in the field as well growing a crop that we can harvest and feed cattle with.

Bryan Schaaf:

Excellent. You've touch on the care. Every single day starts with a check on the cattle. I feel like in the greater industry, in a lot of mainstream media, there is an image of what happens on the farm that, "Ah, it's just a factory. They push out ..." The reality is is that one, farmers care about their animals. My father, we sold the dairy farm in 2007. To this day, he still misses his cows. But there's also a level of economics as well where you have to take care of the animals or they're not going to perform for you at the end of the day, correct?

Jonathan Perry:

Absolutely. They're like family to us and if we don't keep them healthy and we don't keep them going in the right direction, then obviously they can't give back to us and earn us a living. We are stewards of the land and stewards of the cattle first every day because that is all we have to make us sustainable.

Bryan Schaaf:

Well said. Hey, let's talk about the restaurant because running a farm doesn't fill up 40 hours a week plus enough, right? Why not jump into another 60 plus hour a week job. Tell me about the Hickory House located at what? Just up the road from you guys in Pulaski?

Jonathan Perry:

Yeah, we own the Hickory House. It's about 20 miles from the farm. It's amazing how short that 20 miles has become over the last seven, eight years driving it at night. My wife and I started this venture about eight years ago. She knew that I loved cooking, I love food, and if you could see me in person, you'd know that I resemble a very good cook because the results of my labor show well on me. I'm not a light, skinny guy. But, I've always loved smoking meat. I've always love grilling steaks. Beef, we serve chicken and pork because we have to, but beef is my love and always has been my passion.

Jonathan Perry:

For years, we've always been the house or the neighborhood place that entertained. I told my wife every time we'd have a function, I'd say, "Man, people love the fellowship. They love the food." And, that's what brings me to it. People would leave and I'd say, "Baby, we ought to open a restaurant. We could make it work. We could make it work." She'd tell me pointblank that if I wanted to open a

restaurant, I could sure do that with my next wife but we weren't going to do it together. She was a paralegal for 30 years and had decided that she wanted a change, and this quaint little restaurant that had been there for 20 something years, had been a staple in that neighborhood, came up for sale and she came home one day and she said, "You're not going to believe this, but the Hickory House is for sale."

Jonathan Perry:

I was like double take. I'm like, "Why would she be telling me this?" She said, "You know, baby, we could buy that place and open it and I think we could make it work." I'm like, "Really? Where's my wife?" We did decide as a joint venture to open it up. She runs it during the day. She handles the ... We had a pretty good understanding going in that I deal with finances, I deal with employees, I deal with issues on a daily basis at Deer Valley. I'd be the workforce and the creative mind behind it. I'd handle the food, I'd handle the cooks, I'd handle the schedules. I'd handle the inventory. She'd handle the finances, she'd handle the personnel problems and she'd handle the public. It has been a wonderful marriage between the two of us to make it work.

Jonathan Perry:

Believe it or not, we started out as a barbecue place that wanted to serve a really good Certified Angus Beef steak. Over the eight years of operating the Hickory House, we have become one of the most popular steakhouses, Certified Angus Beef steakhouses, in this part of the country and we do still sell a lot of barbecue. But steaks are what have basically put us on the map. We do 100% Certified Angus Beef from the hamburgers all the way to the prime rib. We do specialties on the weekend, whether it be chuck short ribs, whether it be bone-in rib eyes. We don't do a lot of those different cuts on the menu every day, but part of my passion for the restaurant is playing with new ideas and new cuts of beef so we're always featuring something special and different on the weekends when I have more time to be there and do it.

Bryan Schaaf:

Excellent. I'm looking down through your menu here, and you do, you hit on all of the classic steakhouse cuts. You've got a couple different rib eyes, you've got a strip ... called The Stripper, by the way. You've got some sirloin cuts. The one that jumped out at me is the ... Now, I'm losing it. Where is it?

Jonathan Perry:

JP's Special?

Bryan Schaaf:

That's the one, yes. The sirloin strip, JP's Special. Tell me about that because in my mind, being a meat nerd, is that culotte steak?

Jonathan Perry:

That is a culotte steak.

Bryan Schaaf:

Bless you, sir.

Jonathan Perry:

I'll have to tell you, I've been very blessed to also be on the National Angus Board, and through the National Angus Board, I was fortunate enough to be put on the Certified Angus Beef Board of Directors. Well, one of the beautiful things about Worcester, Ohio when you come to Certified Angus Beef's headquarters is the culinary center. That wonderful team of chefs and that wonderful meat science group, they can teach you a lot of things. We were at the culinary center for an event one time, and they were basically showing us value-added cuts and things that they were working on in the meat slab, and the culotte steak was one of those items. I'm like, "Man, this thing is phenomenal." We actually came in and got to watch them break down that muscle and fabricate those steaks, and then we got to cook them and eat them and go through the whole process, and I'm like, "Nobody has this steak on their menu in my part of the world. I think this thing would be phenomenal from a sales standpoint."

Jonathan Perry:

So, we ordered 15 of those the first weekend we did them and I thought nobody knows what this is. Nobody will even try it. It has gone from a steak that we had 15 or 20 the first week or two we sold them, it's now our number one selling steak. The only thing that we sell more of would be 10 ounce rib eyes. It's amazing how that steak is phenomenal.

Bryan Schaaf:

I'm a big fan. When people play the beef cuts game, what's your go-to, I'm a culotte guy. It feels like, even though it's out there now, but it feels like most people just don't understand it. Or, if you see it in a retail case, it's not really labeled as a culotte. It's maybe called a sirloin, oh, but what a ... And you're right. It's called the JP. it's also labeled as the sirloin strip on your menu. It looks like a little strip steak.

Jonathan Perry:

That's exactly right. I felt like if we put that on as a culotte, we'd never sell one. People are, "What? A culotte?" So, I featured it as my little special chef's steak and we call it a sirloin strip, which it truly is. The cool thing about it is when I called our CAB distributor to discuss it with them, they were like, "You want culottes? Oh, that's awesome. Nobody gets culottes." We actually are getting a CAB prime culottes that come in, because with the CAB culottes, those steaks are phenomenal. They do well. They perform well.

Bryan Schaaf:

I'm a big fan. Big fan. Turn the page and let's talk about 2020. As it's been obviously, it's not been an easy year for anybody, and it certainly hasn't been an easy year for the restaurant industry in everything that's gone on, but the cattle industry is maybe the piece that people aren't necessarily understanding. I think when beef prices went really high during the main throes of the pandemic, I think people thought, "Oh, these ranchers are just making a killing because the beef prices are so high." Tell me about what 2020 was like on the farm, on the ranch? It couldn't be any farther from the truth, correct?

Jonathan Perry:

Absolutely, Bryan. First of all, I want to say that we were blessed to be as successful this year as we have been. The outreach from communities, we had people knocking on our door when we were closed down saying, "Hey, we want to help. We want to help y'all get back to business somehow. What can we do?" From a restaurant side, I've never seen anything bring a community together like this pandemic has for us in our part of our world. But, from a rancher's standpoint, it's not been easy. You think about the

supply chain and the way things work, your restaurants start shutting down, your distributors have tons of products sitting on the shelf. The chain stops. The cattle that are on feed to be harvested are starting to stack up. There's nowhere for the cattle on grass to go to be finished and harvested. So all of a sudden, the rancher that's raising the product has nowhere to go with the product that he has.

Jonathan Perry:

It looked like from the restaurateur side, as I'm looking at my price list every week, I'm like, "Oh my goodness. Where is this going? The prices just continue to skyrocket." But from the rancher side, I'm sitting on a product that has nowhere to go and they're stacking up at every point in the chain and our price point continues to fall daily. There was a lot of money made in the middle somewhere but it was not made on the farm and rancher side, and for the first time in a long time, we really struggled figuring out okay, not only how are we going to get rid of this product but what can we get out of it? It's amazing the uptake, all of a sudden when it did start back moving, farmers and ranchers ... Your American farmers and ranchers are probably the most resilient, toughest operator in the world.

Jonathan Perry:

We can change speeds at the drop of a hat better than anybody, and we'll figure out ways to move that product or shift that product to a point where we can hold on to them a little longer as cheaply as possible and still make it work. We'll make it through it, but it has not been an easy process on the farm.

Bryan Schaaf:

How about now? I guess by the time this goes live, we'll be at the end of November. But fall of 2020, have things started to return to ... I don't know what you'd call business as usual, but are things starting to feel a little more familiar now?

Jonathan Perry:

Yeah. You know, Bryan, things are starting to trend back to a normal. I think on the farm and ranching side, we still are the lowest guy on the totem pole. We're still at the tightest profit margin of anybody in the chain, and we're still plugging away. But the restaurants are opening back up, product is moving again. We're still not seeing 100% normal, and I don't know that we will for a while. I'm an optimist and I believe that we'll figure out a way, but I still think we're going to look at decreased sales for another 6 to 12 months at least.

Bryan Schaaf:

And, hopefully that goes fast.

Jonathan Perry:

Yes, sir.

Bryan Schaaf:

How about on the restaurant side? Did you have to shut down for a spell?

Jonathan Perry:

We did. We have two worlds, so obviously the cattle side, the farming side takes up a lot of our time. The restaurant takes up the rest of it, and so when basically the state of Tennessee shut down, we could

go to 100% takeout or delivery, which our set up is not really set up to do. We were a sit down restaurant. We had some to go business, but not a lot. You don't go to a takeout order restaurant to buy a great steak very often. We've seen trends change, though. We've seen guys start to do that but we shut down for two weeks, and at the time it was in March, our bull sale that we have in the spring was the next week and we had our hands full with that. We just decided, "Hey, we're going to shut the doors. We're going to take care of our employees. We're going to shut the doors. We're going to get our bull sale behind us and then we'll figure out how we can operate."

Jonathan Perry:

We did that. We got back in and we recreated our menu, and eliminated a lot of the items that we cook every day and went to a more short order, or cook-to-order menu and started doing takeout or delivery. Did that for about six weeks, and then they allowed us to open the doors back up 50% and customers started back in the door. I'll be honest, we had a hard time keeping it at 50%. We had people wanting to come in the door. We did what we had to do. We did what were instructed to do and we made it, but by June in Tennessee, we were back to 100% and we have been so blessed that our customer base has come back.

Jonathan Perry:

We've created a group of customers that are takeout only that have always been dine in customers. I think if you look across the country, there's a lot of different reactions to the pandemic, and we all have a comfort level that's different. So, we've got customers that come in every day just like normal like they always have. We got customers that'll come in a little more sporadically, not as comfortable to sit in there when it's crowded. And then we've got customers that quite frankly still won't come in. They'll drive up and order. Some will come in and get the order. Some will sit and wait for you to bring it to them because they're not comfortable coming in. I think that's just what we're going to deal with with the pandemic for a while.

Jonathan Perry:

But I think our restaurants across the country are going to have to have lots of local support to get back to a normal and be able to operate and be viable.

Bryan Schaaf:

Amen, and we'll all be better for it. Where you guys are located, I always like to paint the picture of where our guests are from. You guys are located north of Huntsville, Alabama, south of Nashville, Tennessee. One of my personal favorite parts of the world because for years and years and years, we go down and participate in the Jack Daniels World Barbecue Championships down in Lynchburg, Tennessee. I think it was before I ever actually met you for the first time, I was at the Jack and our pal, Ray Lampe, Dr. Barbecue, down in Tampa was driving up to judge the Jack and he said, "Hey, Bryan. Check this out." He pulls out his phone and he showed me a picture of this green barn with our logo painted on the side of it that he had driven past, which was your operation.

Bryan Schaaf:

You guys are one of the 40 barns that has Certified Angus Beef painted on it as part of our 40th anniversary celebration from a couple years ago. What makes a rancher want to ... Obviously, I've got our logo tattooed on my arm, but what makes somebody on the ranching side want to pop our logo on their barn?

Jonathan Perry:

Pride of ownership, brother. The Certified Angus Beef brand is owned by America's Angus Farm and Ranchers. No one thing in our industry has ever changed an industry more than Certified Angus Beef has changed the American Angus Association. The brand has basically given us a vehicle to drive faster than anybody in the country to get to the front of the industry. We were the first branded beef product, and no other brand of beef product in American has quality spec's oversight like we do. We know every day that the product we are purchasing and raising ... Or, not purchasing ... raising to be purchased.

Jonathan Perry:

We know every day that our product is not only what we say it is, but we have a crew of people in Worchester, Ohio that live for the Certified Angus Beef brand and walk out into the industry every day and help food service individuals and restaurant owners get tied to our brand because they know that that brand will be viable in the same thing. Every single day, every eating experience will be positive and great, and as a rancher that raises that product, how could you not be proud to have that logo on your barn? Pride of ownership, man.

Bryan Schaaf:

Man. Checks in the mail. That's a beautiful thing. All right, I got to ask one last very selfish question that has nothing to do with meat. I go to the Jack every year. Actually, I remember, gosh, I think last time I saw you, I knew that I was going to be going down to the Jack Daniels right about actually the time of year when we're recording this, usually late October, early November. Obviously, the Jack had the kibosh put on it this year, so next year hopefully we'll be down in your neck of the woods, but Jack Daniels, of course, is Jack Daniels, right?

Bryan Schaaf:

And right down the road from it, is George Dickel Distillery, both of which I have bottles of each in my kitchen pretty much all the time. I don't play favorites. I like them both. Are you a connoisseur of the Tennessee Whiskey movement?

Jonathan Perry:

I am. Jack Daniels is 20 something miles down the road, and if you show up again and don't call and invite me, you and I are going to be on bad terms because I would love to come join you at that event. You'd be amazed though how many people come to visit us from all over the country. They're either on their way to Jack Daniels tour, or they're coming from Jack Daniels, just taking a tour coming here. Oddly enough, there is an upstart ... and, I say an upstart. There's a distillery right here in town called Prichard's Distillery, and of all the Tennessee Whiskey's, partly because it's here and local, but I love the Sweet Lucy that Prichard's makes. You'll have to try a bottle, I'll get you a bottle, but yes, the Tennessee Whisky is a staple here. Nothing goes better with a good Certified Angus Beef steak.

Bryan Schaaf:

Amen. I actually have a bottle of Prichard's White Lightning sitting on my shelf right now.

Jonathan Perry:

Oh, you got some? Okay. You know all about it then.

Bryan Schaaf:

I have not tried the whiskey, though, so it's on the list. I did not realize you guys are also home to Benjamin Prichard's and his famous White Lightning and whiskey.

Jonathan Perry:

There you go. Yeah, right down the street. Right down the street.

Bryan Schaaf:

Those are good people to know. Before we wrap up, before we take another two weeks in between episodes, and obviously Thanksgiving will fall within that stretch, too ... If you as a farmer, as a rancher, and honestly as a restaurateur as well, if you have a single message that you would like to put out for folks around the world who honestly don't touch either of them, other than they happen to eat meat and they happen to sometimes get it in a restaurant or a grocery store, and maybe pass by a pasture of cattle, what is that message that you'd like to put out to those folks?

Jonathan Perry:

I guess my message would be that we want the buying public, the consumer to know that nowhere else in the world is a safer, healthier, more sustainable product produced than on America's farm and ranches. We live it every day. It's a lifestyle. It's a way of life. We're not factories that stamp out food. We raise our families here. This is what we do every day, and it's a lifestyle. It's a way of life. We bring our children up on the ranch so that they learn values and they learn work ethic and they learn how to be stewards of the land and how to be stewards of the cattle or the livestock. We face lots of confusion and competition on the marketplace but I can tell you that the American Angus breeders of this country do a better job of creating a safe, consistent product every day that is mouthwatering good and pleases every time you sit down.

Jonathan Perry:

You asked about the logo on the barn. The pride of ownership is huge for all of us. I'm going to touch on something that's really passionate to me from a Certified Angus Beef restaurant owner standpoint and an American Angus rancher standpoint. That logo, that's our trademark, and everybody in the industry has tried to emulate or imitate an Angus product. There's only one Certified Angus Beef. There's only one system built in the industry like it, so when you eat a Certified Angus Beef product, you know from the day it started on the farming ranch to the day it got on your table, everything about it is true and pure and consistent and verified. The rest of these imitation products, brand confusion as we like to say, Angus by the name Angus is not the same. Certified Angus Beef is our trademark and we're very serious about it, and pride of ownership is huge.

Bryan Schaaf:

We appreciate you. We appreciate you sharing that. On that note, Mr. Jonathan Perry, from Deer Valley Angus in Fayetteville, Tennessee and also the Hickory House in Pulaski, Tennessee. By the way, you guys are situated quite nicely between a couple of my favorite barbecue joints. If you head south to Decatur, Alabama to Big Bob Gibson's, Chris Lilly's fine place. If you head north into Nashville, you've got a place called Peg Leg Porker, which I love. They don't have any brisket on the menu because Carey Bringle will say, "We're in Tennessee." You're in Tennessee, though. What's your take on what constitutes Tennessee barbecue?

Jonathan Perry:

Let me tell you. It's funny, I grew up in Georgia. I've lived in Tennessee for 20 something years. I've traveled Texas for miles and miles. Brisket is barbecue. I love Texas brisket, and when we started, that's what I've tried to perfect growing up cooking it. If you think Big Bob Gibson's is great and Peg Leg's is great, and they are. I've been there. Wonderful places to eat. If you'll join us at the Hickory House the next time you're through town, we'll give you another favorite spot to stay at.

Bryan Schaaf:

I can't wait. Chef Michael Ollier and I will be there. We'll throw you in the side of a rental car and we'll go up to Jack Daniels after we feast.

Jonathan Perry:

I don't mean to sound arrogant, but I think our brisket will stand up with anybody's. When we opened, we put brisket on the menu. Obviously, it was a given for us. And in Tennessee, very, very few barbecue places serve brisket. It's not a typical staple at a barbecue place in Tennessee, so our brisket is by far our highest selling barbecue item, and we've done with Certified Angus Beef brisket.

Bryan Schaaf:

Bless you, sir. I can not wait to come feast on your brisket hopefully a year from now, if not sooner, because I'm always looking for an excuse to get down to your neck of the woods. Jonathan Perry from Deer Valley Angus, Hickory House Restaurant. Sir, we appreciate all the things that you guys do. Thankful to you guys, thankful for all the folks who spend their livelihoods raising the food to feed the world because honestly if y'all weren't doing what you were doing, we're going to be awful hungry eating carrots.

Jonathan Perry:

Well, thank you, Bryan. Again, I'll say the same thing to Certified Angus Beef and the staff in Worcester and around the country, without y'all, the Angus breeders of the world, and of America, would have a hard time getting our product where it needs to be and we thank you guys for the support that you offer us as breeders and the industry every day.

Bryan Schaaf:

Thank you so much, sir. Happy Thanksgiving to you and the fam, and hopefully catch up soon.

Jonathan Perry:

Thanks. You too, bud.

Bryan Schaaf:

Take care.

Bryan Schaaf:

Back here on the Meat Speak podcast, powered by the Certified Angus Beef brand. Bryan Schaaf here being joined by ... via Zoom ... meat scientist, Diana Clark, and all the way from St. Joseph, Missouri,

Mark McCully, the head honcho of the American Angus Association. What title do you prefer? I know there's CEO out there. I'm a big fan of chief.

Mark McCully:

Well, yeah, I don't know. I don't know. CEO is I guess my title. Yeah, chief.

Bryan Schaaf:

Chief is a good one. We've talked a lot about the different things that have gone on on the ranch, and in any given year, ranchers know they're going to have their share of challenges. It's the nature of the beast. When a lot of what you do really hinges on the mercy of Mother Nature, you know it's going to be a hard year. This year, obviously, with COVID and whatnot thrown in, certainly exacerbated the process but Mother Nature was Mother Nature again this year. Of course, the derecho that wiped out a lot of farms in the Iowa area. Of course, wildfires in California and Colorado and everywhere like that. Some of the stories that you hear from ranchers are just heartbreaking. I remember one interview, one of the ranchers, I think in Iowa, said they're probably not going to see a paycheck for another 12 months while they're rebuilding their farm. Can you touch on what this has been like? Is there an aspect that it just feels like things just keep piling on?

Mark McCully:

Well, yeah. I mean, gosh, this year's been a year like none other, at least for those of us that ... I don't know what a reference point would be of something comparable. This year's just been so crazy. In some regards, and it's what I'm honestly continually inspired and motivated by the members, the ranchers, that I get to have an opportunity to serve every day. Their resiliency is unbelievable. I grew up in farming and production and agriculture, and I think that's always just been ... That's just the way things happen. You put your head down and you get through it in an industry, in a way of life that's so dictated by weather that is obviously out of our control. It's funny, I always remember growing up that dad, every morning he had this calendar by his desk and he would always record the rainfall and the forecast, whether we had sun, and I said, "What a waste." This is before the weather app, of course.

Mark McCully:

I think back on that, it's just such a vivid reminder to me of ... We were farmers. That was our sole source. There was no other source of income and our livelihood was dictated by weather. That's just ingrained in those in the farming and ranching business. That all said, this year has been ... whether it was floods, whether it was the storms in Iowa, whether it was the fires, all of those things ... hurricanes. Can't forget hurricanes. We have folks and members down in the coastal region that were impacted by hurricanes. It feels like it's just one thing after another this year, but when I talk to farmers and ranchers, they're still optimistic. Again, they're putting their head down. They're resilient. They're looking forward to what's next year and they're investing in their seed stock because they're looking forward to what's ahead.

Mark McCully:

It's inspiring. It's tragic to see what's going on. I appreciate the opportunity that this podcast really allows us to talk about this because candidly, this is stuff that a lot of our normal channels, they're not covering and it's so important to our overall food system, which I would argue is a national security issue. I'm glad for the opportunity to share what our members and the farmers and ranchers out there have dealt with, and sure proud of the resiliency by which they've gotten through it.

Bryan Schaaf:

We should all be thankful that the folks who feed us, man, hope springs eternal. It doesn't matter what gets thrown at them. They're going to just keep pushing on. Speaking of which, from the farmers, that's all the way to the leadership of the association. You guys, you mentioned, you're always looking to provide them with new tools, with new tests that give genetic breakdown of the animals that they're dealing with. Talk to me about the future of the American Angus Association. You're 137 years old. Diana, do you think there's a dry age steak out there that's 137 years old that we could tear into in celebration?

Diana Clark:

Oh, goodness. I don't know if we'd want to do that one. Let's just celebrate with a wet age steak. 21 days.

Bryan Schaaf:

Fair enough. Mark, talk to us about the future of the association. Where are you guys headed? You've always got something cooking. I know that.

Mark McCully:

As I mentioned earlier, our breeders, they're looking 5, 10 years down the road so as an association that serves that, we've got to be doing the same thing. It's hard to not look down the road and think about technology and how will technology be impacting how we do our business today? I think it's exciting to see things around ... There's a term precision agriculture that a lot of farming ... if you think about crop farming ... has been utilizing for a long time, meaning its utilizing GPS, utilizing all of this technology to really help precisely apply fertilizer and herbicide or whatever is needed for that particular piece of land.

Mark McCully:

We see similar things really on the cattle side. What we know today is not through genetic modification, but through genetic selection, we can provide these tools. Today, or if you go back, if you will, 50 years ago, all we really had was to look at the animal and say, "Is that a good one or is that one we should keep for breeding stock?" Then, we started taking more measurements and weights and measuring their performance and efficiency. How many pounds of feed did it take to put on that pound of gain, and we can start making improvements that way. Today, what we're able to do is through genomic profiling. By simply taking a drop of blood of these animals, we're able to get a far better look at their genomic and genetic potential, and then are able to make tools for our breeders to use to make improvements.

Mark McCully:

So, we're going to continue to advance and we're doing some cool stuff around immune response, meaning finding those animals that are less likely to get sick, or less likely to have a health issue when they maybe have a stress introduced to them. Things like that allow us to raise healthier cattle, which is for the farmer and rancher, the last thing they want to do is to try to treat an animal with an antibiotic to get them healthy. They will if they need to, because they need to keep that animal healthy but if we can continue to find those animals that are naturally more healthy or have a stronger immune system, then we're going to try and select and make more of those. Those are the kinds of things we're looking at and thinking about longterm.

Bryan Schaaf:

That's fascinating. It blows my mind to hear the things that goes into this. And, you're right. The last thing that farmers and ranchers ever want is for their animals to get ill. For one, they're like your children. For two, medicine is expensive. So there's economics and just a love of cattle care that's going on out there. Before we wrap, this is our final lead in to Thanksgiving. Certainly, Mr. McCully, all of us here at Certified Angus Beef are thankful for you and all of the association members and all the work that you guys put into feeding the world.

Bryan Schaaf:

If we could, let's wrap by give us a rundown of what's hitting your Thanksgiving table?

Mark McCully:

Well, of course it'll be Certified Angus Beef brand prime rib. There may be some turkey. We tend to be a little traditional around our household as well. And actually, this is a little different year for us. We just recently moved out here, officially moved out here to Missouri, but I think we're going to be heading back to Ohio to do Thanksgiving, see some friends, still have a son back there so we're going to get together. So, it'll be an Ohio Thanksgiving is I think what's on the docket for us. Certified Angus Beef will be on the menu, for sure.

Bryan Schaaf:

Well said. And, if you're coming back to Ohio, maybe Chef Tony can start to make up for this hole that he's dug for not popping into your office today with steak and eggs.

Mark McCully:

There was a reason that I brought this up that I was coming back to Ohio, so I hope that word gets to him. Absolutely. Knowing who listens to this podcast, folks that are out there representing this product each and every day, on behalf of the farmers and ranchers, I want to thank you guys. You guys are the ones that are out there connecting with the consumers and out there wonderfully preparing this end product and making it a great eating experience and driving the demand for the product. This is a mutual deal, right? The farmers and ranchers can't do it without the chefs, with the restaurateurs, and vice versa, so thank you to so many of your listeners, Bryan, that are out there on, on behalf of farmers and ranchers, getting their products and their goods sold.

Bryan Schaaf:

Well, I have spent ... what? ... about 10 days over the last two and a half weeks in Chicago, and every time I travel, hopefully you guys notice an increase in the blip of beef consumption because I like to think of myself as a one-man wrecking crew when I'm on the road. I'm trying to do my part for you guys.

Diana Clark:

We definitely notice the blip, Bryan. It's there.

Bryan Schaaf:

Outstanding. Mark McCully, CEO of the American Angus Association, we appreciate you taking time out of your schedule to join us on the Meat Speak podcast, powered by the Certified Angus Beef brand. If this is your first time tuning in, know that you can find us across Apple, Google Play, Spotify, most of

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your major podcasting platforms, or simply by visiting us at CertifiedAngusBeef.com/podcast. This is Bryan Schaaf. Joining me is of course meat scientist, Diana Clark, and one again, Mark McCully of the American Angus Association. Thank you for joining us and happy, happy Thanksgiving all.