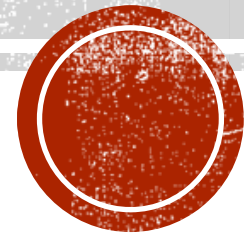


WAGYU: THE **USA** PERSPECTIVE

Presented by : Loren Ruth



TWO PATHS TO **FOLLOW**

- **Beef Sales**
- **Genetics Sales**
- **Both Work Hand-in-Hand**



USA MARKET

- **229 Million** 18+ Adults
- **52%** of adults make \$45,000 - \$135,000
 - Pew Research September 2018
- **19%** of adults make \$136,000 +
 - Pew Research September 2018
- Tremendous middle and upper class buying power



USA MARKET

- “The US is a global gateway for luxury products and much of the world takes its lead from luxury consumption in the US. We are establishing a deep presence in that market – as a platform for driving our premium lines around the world,”
– **Hugh Killen, CEO AACo**



POPULAR PRODUCTION STRATEGIES

- **Large Scale:** Mostly F1 and Purebred
 - Major Players: Snake River (Agri Beef), Imperial Wagyu (JBS), Mishma Reserve, Feedlots
 - Other Notable Strategies: Commercial Beef Production 25% Wagyu 75% Angus
 - Example: Circle A Ranch
- **Medium Scale:** Mostly Fullblood and Purebred
 - Major Players: Lone Mountain Ranch, Marble Ranch, Bar R Ranch Etc.
 - Other Notable Strategies: Farm to Table: Vertically Integrated Restaurant & Farm
 - Example: Joseph Decius
- **Small Scale:** Mostly Fullblood & Purebred
 - Major Players: Small Hobby Breeders



MARKETING STRATEGIES

- **Lone Mountain Ranch:** Fullblood, High BMS carcasses, genetics sales, JVP & World K's Genetics
- **Marble Ranch:** Fullblood, High BMS carcasses, genetics sales, Takeda Genetics
- **Snake River:** Crossbred-Purebred, Corporate owned, genetics based on JVP Fukutsuru 068, one of the largest national brands
- **Imperial Wagyu:** Crossbred-Purebred, now owned by JBS, national brand
- **Joseph Decius:** Percent & Fullblood, Farm-to-Table, \$8,000-\$40,000, Takeda Genetics



MAJOR KEYS TO SUCCESS

- What is your end market?
 - Export, Domestic, High BMS, Prime, Choice, Grain-fed, Grass-fed, Organic, Kosher, Halal, etc
- America has all the opportunities!
- Develop your own brand!



USA WAGYU GENETICS

- **Dams:** Heavily based on JVP and World K's Group female/maternal lines
- **Sires:** Primarily JVP and World K's Group sires used, some Takeda sires and some Westholme sires used



USA WAGYU GENETICS

- Heavy reliance on original foundation sires
- Little genetics progress
 - Some pockets around
- Little confidence in or understanding of EBVs & EPDs
- Breeders with little agriculture/cattle experience
 - Sidetracked by SCD & Tenderness Tests



CURRENT TRENDS & DEMAND: GENETICS

- Historically heavy focus on high Tajima for F1 production
 - Breeders now seeking growth & marbling
 - Trends toward feed/performance trials
 - Should be progeny testing trails
-
- Seedstock market up? or down?
 - Or Maturing and Stabilized?



WAGYU GENETICS: COMMERCIAL APPLICATIONS

- “The quarter-blood Wagyu run 70-85% USDA Prime, which is what Circle A hoped to achieve. Hammett attributes their grading success to the fact that they only use the highest marbling lines of Wagyu they can find.” – **Circle A Angus**
- “We take the Wagyu cross steers to 1600 pounds live weight,” says Hammett. We get fewer yield grade 4 and 5’s at 1600 pounds than we would with our straight Angus cattle at 1450 pounds. The added quality grade, fewer yield grade discounts and heavier carcass weights result in over \$300 per head more for the Wagyu-cross steers.” – **Circle A Angus**





USA: STONYRUN / SYNERGY



USA • AUSTRALIA • SOUTH AFRICA

- Introduced to Wagyu because of David Blackmore
- Started with Fullbloods & F1/F2
- Phased out of F1 & F2
- Developed Fullblood Herd
- Now Developing a Sustainable Meat Program
- Continued Focus on Elite Genetics



THOUGHTS TO CONSIDER

- **There are many opportunities but no one will bring them to you!**
- **A vision without action is just a dream.**
- **An action without vision is a nightmare.**



SOURCES:

- **Circle A Angus:** <https://www.americancattlemen.com/articles/wangus-%E2%80%93-new-path-profitability?fbclid=IwAR3XUpzAGw2d55V1ac7KGnvo09G0MotsvzfR7DvPpEDWO8Bjsqns-o0cEkk>
- **AACo:** <https://www.beefcentral.com/genetics/aa-co-ramps-up-its-exposure-to-wagyu/>

