

Know your customers, study your competition, introduce yourself to new opportunities, become a business partner in the beef industry, and other good....

ADVICE for the ANGUS MARKETER

BY BARBARA LABARBARA

In the American edition of "Thick Face, Black Heart," author Chin-Ning Chu says, "You must seize every little opportunity to advance your prospects. When you find such an opportunity, enlarge it. If there are no opportunities, focus your thoughts on creating an opportunity."

Posing the question, "Who is your competition?" prompted many different responses from a selected group of Angus breeders (see sidebar story). We discovered Angus breeders seldom use the word "competition." Instead they talk about the challenge of improving their own herds and meeting their customers' needs.

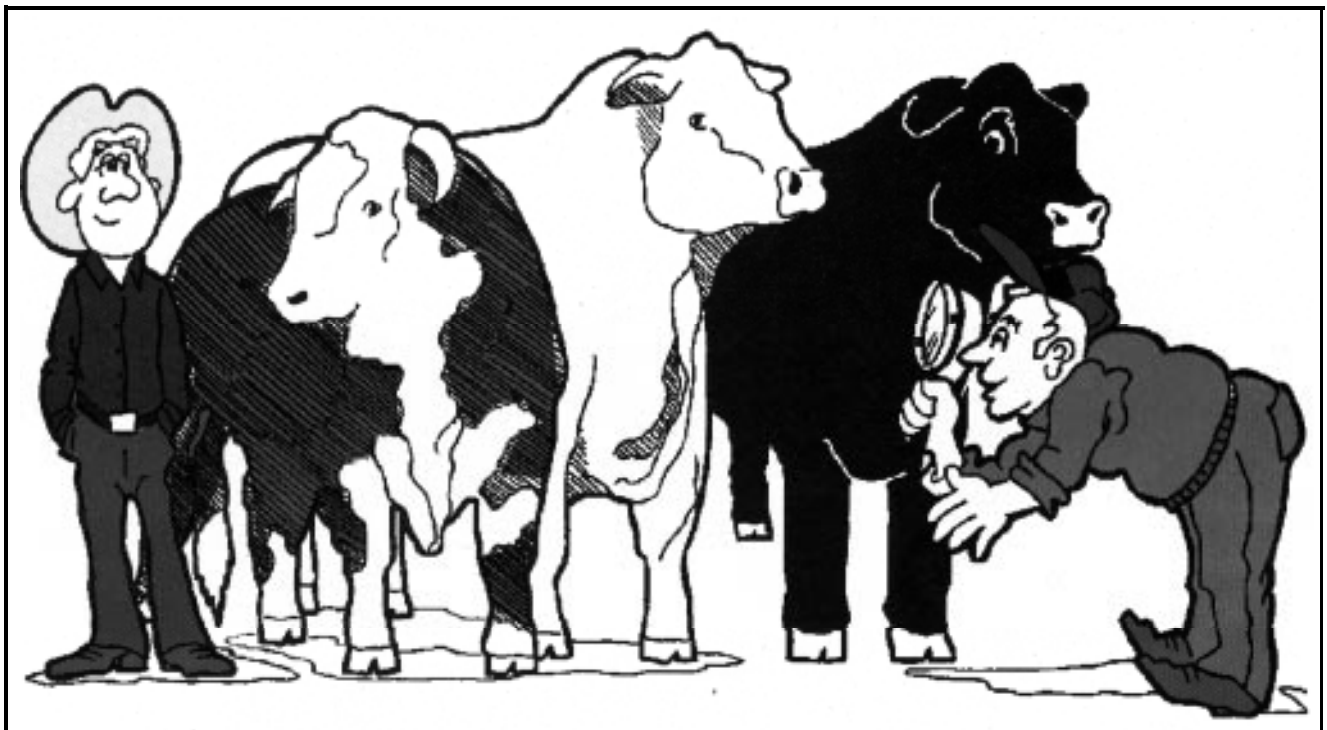
These breeders' opinions are as varied as the people who belong to the American Angus Association. Yet, one fact resounded—successful Angus marketers share an above-average awareness of industry opportunities.

Friendly Competition

Angus breeders are often customers and friends as well as competition. There is a common interest or fraternity which allow you to become friends and make it hard to think of fellow breeders as competition. It's the reason most are reluctant to use the word "competition" when discussing other Angus breeders.

Competition is thought of only in connection with the show ring, not with breeding, raising and marketing their Angus cattle.

"We're all in the same boat," says Ron Frye, American Angus Association regional manager from Montana. "Breeders plant seeds and if they don't get the sale, somebody else in the breed



KARLA KING ILLUSTRATION

will. It's important to keep the customer involved in the breed. Others are planting seeds that benefit each of us in the same way."

The Angus business is unique in that everyone helps everyone else. Breeders believe it's good business and good for the industry. A growing number of Angus breeders today, however, means more competition for customers and the need for cooperation. It also requires searching for your "right" niche in the marketplace.

Successful Angus breeders are aware of what is going on in the industry. They pay attention to bloodlines, expected progeny differences (EPDs), quality assurance, market trends, values and sales.

Poultry & Pork Show Muscle

In 1994 the average American consumed 70.2 pounds of chicken, 18.2 pounds of turkey, 53.2 pounds of pork and 67.5 pounds of beef, according to the National Live Stock and Meat Board. In 1992 they consumed 114 pounds of red meat including beef, lamb and pork 60 pounds of poultry; and 15 pounds of fish. From 1983 to 1992, each American ate 10 pounds less beef, 18 pounds more poultry and two pounds more fish.

While we ~~cannot~~ expect to take over the entire meat market, we should be concerned with the fact that beef consumption dropped as poultry; pork and fish consumption increased. Even though much of the reason for the drop in beef consumption is due to misguided reports regarding healthy eating habits, beef producers must take some of the responsibility.

Many Angus breeders participate in carcass evaluation and gather data on cattle they send to the feed yard. Beef has to grade Choice to meet current consumer demands. Without continual assessment producers cannot know the results of their efforts or improve their product.

Until we economically raise more predictable, uniform cattle, we're going to continue to lose out on consumption. To compete with the poultry industry every steak the beef industry produces has to be consistently tender and tasty.

Market Share vs. Market Power

No doubt, Angus breeders today have a real challenge - you compete for your share of the market and you compete for the best merchandising methods.

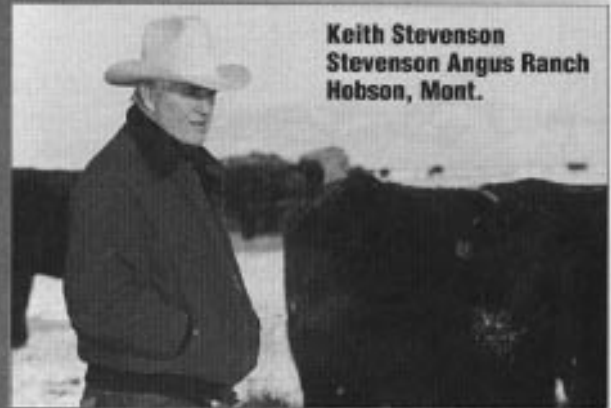
Resources or tools for merchandising Angus include American Angus Association and Certified Angus Beef Program advertising campaigns and promotions, breeder advertisements, trade journals, sale catalogs, and promotional brochures.

Field days, tours, association meetings and events are also valuable resources to discover what marketing and merchandising practices others are using.

A Personal Challenge

Runners nearly always run against their own personal record. The competition is so tough the percentage of runners that win races is low. There are younger runners, faster runners, more experienced runners, or those who have more time to train.

Who is Your Competition?



**Keith Stevenson
Stevenson Angus Ranch
Hobson, Mont.**

Stevenson believes there are a lot of good beef breeds in the country that need to be promoted. "They should look at what the Angus industry is doing," he says. "We are their competition."

Hereford, Simmental, Limousin, Charolais, and Gelbvieh are just a few of the breeds of cattle that Stevenson is talking about. In pursuit of better markets, many beef producers have turned to Angus bulls to meet the demands of their customers. A black hide seems to be a high priority for them. A more important benefit they receive is an improved end product — a tender, tasty steak.

Continued on next page

Consequently, each time a runner enters a race, he or she concentrates more on improving time than on winning. He or she is determined to shave a few seconds off a personal record in the 10K, or a few minutes off a marathon time.

Angus breeders can use much the same philosophy. There is only one grand champion bull at the North American or the National Western. The percentage of breeders who accomplish such a goal is low.

Personal records in the Angus industry can be weaning or yearling weights. If this year's weaning weights averaged 20 pounds more than last year, a new personal record was reached. If you averaged \$50 a head more for your yearling bulls this year, you set a new personal record. Challenge yourself to beat that record next year.

Perhaps you increased the stocking rate on your pastures through controlled grazing and experienced increased beef gains as a result. Next year attempt to top that personal record.

You are your own best competition. Which brings to mind something an old Chinese Philosopher once said, "He who knows his competition and himself will never be at risk."

Bill Rishel
Rishel Angus
North Platte, Neb.



"Often registered breeders (of any cattle breed) are too engrossed in competition from their neighbor or other breeders," says Rishel.

"We need to be improving the big picture of the beef cattle industry as a whole. Our own program is geared toward having, in

some small way an influence on the beef cattle industry that would lead to greater consumer acceptance of our product. That is the only way we can become more competitive to other meat sources."

Ralph Bridges
Bridges Angus Farm
Lexington, Ga.



"In the past, exotic breeds were my competition," says Bridges. "Today I think they are my promoter. People who used those bulls have found that is not what they need. They are coming to me for Angus bulls."

Bridges, who raises turkeys as well as Angus, is in a unique situation — he

understands both the poultry and beef industries.

Many differences exist between the two, but one he likes to point out to fellow cattlemen is that all of his farm's turkeys are alike. "Nobody goes into a chicken or turkey house and says, 'that sure is a good bird.' But when we go into a pasture, we say 'Boy there's a good cow' "

Bill Borrer
Tehama Angus Ranch
Gerber, Calif.



Borrer studies his customers' needs more than he studies his competition. "Tehama customers, for the most part, are commercial cattle producers who need an end product that pleases the American consumer," he says. Borrer has learned that to compete in the market he must have the

right bloodlines and production records that back up his claims. "An important part of the marketing process is letting people know what you do," he says.

You're always competing for a better price and new customers. It's a challenge to know which market will yield one or both of those factors. Is it private treaty sales, association sales, consignment sales; your own production sale, or the local sale barn?

Rick Blanchard
Silveira Bros. Angus
Mendota, Calif.



To Blanchard, being competitive is always looking for a new angle or opportunity for marketing cattle. He also believes honesty is the best policy and is not afraid to share cattle records and data with customers. People who ask him questions are often surprised by his straight answers.

This cattleman recommends asking questions of everyone you meet — be it on an airplane, in a hotel lobby or at an Angus field day "Always be open-minded," he says. "Opportunity can happen in the strangest places."

