



## MARKETING

# HAVE YOU FOUND YOUR NICHE?

BY JANET MAYER

**F**or new cattle breeders, especially those with a small operation, finding a market to sell cattle can be both confusing and disappointing. Along with learning the business of producing cattle, breeders must learn the art of marketing. To a great degree, the better the marketing ability, the more prosperous the business.

During my career as an agricultural journalist and a field editor covering the eastern region of the United States for the *Angus Journal*, I have seen many innovative and successful methods of marketing cattle. Even though I've learned many marketing tips from other breeders I have written about or met at association functions, applying theory to the real world is not always easy.

When my husband Don and I bought our first cattle in 1986, we were excited about becoming purebred breeders, but not as excited about the marketing aspect of the business. Although we were relatively new to the business, we had been in farming for quite some time and marketing had never been a problem at our 180-acre farm.

Previously a dairy operation with chickens, hogs and a few crossbred beef animals on the side, our milk was sold to an Amish cheese factory about 50 miles north of our farm. The remainder of the milk, along with the eggs, chickens and beef was sold to local customers and to family members. Many had been our customers since my husband's grandfather bought the farm in the late 1800s. These customers, like the farm, had been passed down through the generations of the family.

In late 1985, we started to phase out the dairy operation. With family members holding jobs off the farm, the chore of milking twice a day had become increasingly difficult. By the spring of 1986, we had a new herd of Angus cattle and a few crossbreds.

Like most new breeders, our market-

cattle. This is entirely wrong. No matter how you try to market your animals, first and foremost, you have to become known. If other breeders and potential customers don't know you and your cattle exist, they can't buy from you.

Since we are small breeders, and most of our customers are local or within the state, we try to achieve visibility in these areas. We advertise in state and local publications as much as the budget will permit. We designed a logo that we use on signs at the ends of the roads leading to our farm. The logo is also used on magnetic signs on the farm trucks, especially when we are hauling cattle. For even more visibility, the logo is on our checks, business cards, matching stationery and envelopes, coffee mugs, hats, shirts and bright yellow jackets.

Showing our cattle at the county fair has also helped us to become known and make contacts with potential customers. We have had many private treaty sales, especially for 4-H project animals, that resulted from contacts made at our local fair.

We live about an hour and a half from State College, where the Pennsylvania Department of Agriculture conducts a yearly bull test program, so we usually enter one or two bulls in the test. After watching several of our bulls sell for disappointing amounts at the test station sale, we decided to do some marketing on our own before the next sale.

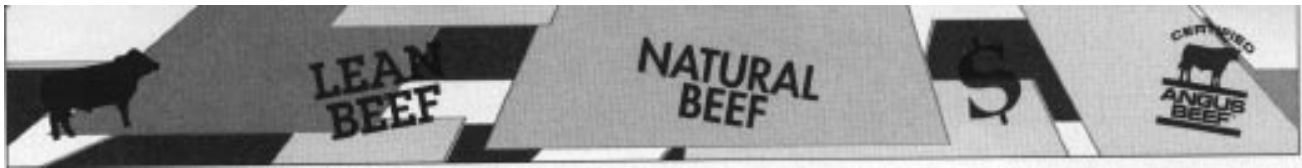
A letter was written stating the good points of our bulls to potential buyers, and what our bulls would do for their breeding programs. For example, several of our



*Janet and Don Mayer have learned that it takes extra visibility and marketing skills to survive in the beef industry.*

ing program was hit-and-miss at first. Little by little, however, we began to establish some good outlets. We learned much about marketing from Keith Evan's monthly column, "Merchandising," in the *Angus Journal* and his booklet on the same subject. One of the first articles I read recommended making your operation visible to other breeders.

Many new breeders mistakenly think they don't need to be visible to sell their



bulls had very large ribeyes which we spotlighted as a good selling point; another point was good average daily gain. We sent a copy of this letter on our farm stationery to a list of past buyers at the bull test sale and other breeders. This method has proved to be successful. For the past two years, our bulls have sold for the fourth highest price in the Angus bull offering.

Although custom-cut meat is not a market for every breeder, we have found it to be a good outlet for part of our cattle. Under the laws of our state, we can process beef at our farm as long as we don't do any advertising. Since Don is an accomplished meat-cutter, the program works well for us during the winter months, and the customers like the convenience of farm-fresh meat cut to their exact specification.

When Don's work schedule doesn't permit him the time to cut meat, or during the summer, we transport the animal to the meat processing plant of the customer's choice for processing and custom cutting.

The beef we process could only be described as extra lean by any standard. Since this is the beef most of our customers desire, it is what we produce. However, a few of our customers, our family included, want a higher degree of marbling; to achieve this, some animals are fed longer for better finish.

Marketing niche is probably one of the hottest catch phrases of the '90s. For those who are not familiar with this terminology, simply put, it means to supply a specific product or service to fill a particular consumer need. One good example of a marketing niche is the McLean® hamburger, developed by McDonald's to fill the consumer's demand for a lean, lower calorie hamburger.

The Certified Angus Beef™ (CAB) Program is another example known to most Angus breeders. Backed by the American Angus Association, CAB is a beef program with value-added marketing. It is targeted at consumers who want a consistent, high-quality beef product. Representing two percent of the fed cattle market, CAB sold more than 81 million pounds of beef products in 1991, making it the nation's largest fresh branded beef program.

Angus breeders are not the only cattle breeders scrambling for a piece of the action in marketing niches. Although CAB is the most famous association-backed

marketing program, if all goes according to plan, the American Hereford Association hopes to gain attention, as well,

H.H. Dickenson, executive vice president of the American Hereford Association, says their program goal is to market a product that will fill the gap between CAB and lean branded beef products.

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In the Colorado State University/Monfort Hereford Study, Gary Smith conducted extensive tests on Hereford cattle measuring their ability to supply a tender palatable beef that can meet the stringent diet requirements of the health-conscious consumer. A remarkable 82 percent of the steers in the study fit this narrow window of widespread consumer acceptance. Smith says that many of the branded beef programs that feature lean beef have failed because of inconsistencies in tenderness and taste. The American Hereford Association reports the results from the initial phases of the project suggest the strong potential of a niche market for Hereford beef.

But what about Angus breeders whose cattle don't make the grade for CAB, or who want to market their cattle on their own or sell their own brand of meat directly to the consumer? They, like our cattle operation, will have to discover their own marketing niche.

Among the good marketing programs or niches I have encountered during my travels as a journalist, I would have to list

Wolfe's Neck Farm as one of the most unusual. Located in Freeport, Maine, and owned by the University of Southern Maine, Guy Hutt is director of the 900-acre farm. The concept behind the operation is environmentally responsible organic production of Angus cattle—from birth to finish.

Since 1959 Wolfe's Neck has been filling a distinct market niche by producing organic beef for both the retail and wholesale market. The USDA-inspected beef is advertised as natural beef, tender, with excellent flavor and being healthier for the family. It is a certified organic product produced without the use of growth hormones.

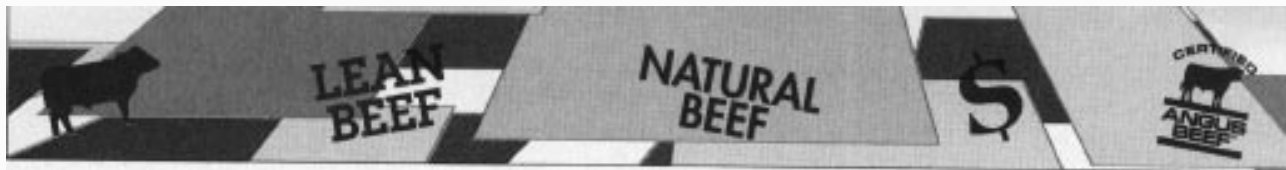
During the summer, cattle are pastured on clover and grasses. In the winter they are fed organically grown hay. The fertilizers used at the farm include barnyard and poultry manure, rock phosphate, granite dust and ground limestone. Cover crops include buckwheat and winter rye. No pesticides or chemically refined fertilizers are used. Any purchased feed, such as salt, kelp, soybeans or corn meets the operation's natural standards.

Weighing about 1,150 to 1,200 pounds, the 16- to 20-month-old animals are processed in a federally inspected abattoir. The carcasses are aged in a cooler for 14 days, then cut, double-wrapped and flash-frozen. The beef is packaged and frozen in 10-pound boxes and shipped by truck or air. The farm produces about 125,000 pounds of beef each year.

**Shawnee Angus Farms**, owned by Donald Moran, is another operation that has been successful with innovative marketing programs. Located near New Enterprise, Pa., the 2,000-acre operation, managed by Bernard Snider, with Conrad Grove as consultant, has been breeding Angus cattle on a large scale since 1988.

Moran is a businessman and owner of a chemical firm in Pennsylvania. His success in marketing a product he called “Executive Beef,” a mail order gourmet beef similar to the Fruit of the Month Club concept, spurred him on to bigger and better marketing endeavors.

Unable to get premium prices for his cattle through buying stations near his farms, Moran tried to establish a market for his beef through supermarkets in his area. His efforts failed. But because failure is not in Moran's vocabulary, he purchased an IGA store near Bedford.



The fresh Shawnee Angus beef that is sold through the meat department of his store, appropriately renamed Shawnee Angus IGA, has been well received by customers. Most are willing to pay the extra 20 cents per pound for his Angus beef over a western brand beef that is also sold at the store because they like the consistent quality of his product.

The meat case prominently displays signs promoting the Angus beef and

Shawnee Farms, where it is raised. The product is packaged on black foam trays with special labeling identifying it as locally raised Angus beef.

The steers used in this program are fed to about 15 months of age and weigh between 1,050 and 1,100 pounds. Heifers are also used but are fed only to 1,000 pounds. The cattle are slaughtered at a federally inspected meat processor, where they hang about seven days before being

trucked to the store where they are cut. The store sells about two animals weekly.

In the early part of May, Moran sold his store to the Gateway Supermarket chain, but the store will continue to carry Shawnee Beef. In addition to selling meat both through the store and by mail order, the operation sells breeding stock by private treaty and through their yearly production sale.

What are Moran's marketing plans for the future? To own a restaurant in the Bedford area, near the busy Pennsylvania Turnpike. At this restaurant, they will, of course, serve Shawnee Angus Beef.

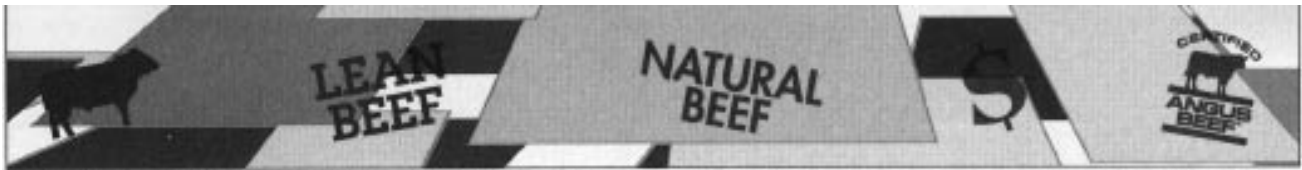
**Martin Jorgensen Jr.**, owner of Jorgensen Ranches in Ideal, S.D., is another breeder who feels there is a great opportunity for niche marketing, especially with lean beef. Jorgensen and his sons, Gregg and Brian, operate 5,000 acres of cropland which supplies feed to 1,100 head of cattle, 400 of them purebred Angus.

Jorgensen firmly believes health and food additives are of major concern to American consumers, as suggested by the demand for a lean beef product that is low in cholesterol, fat and calories. But consumers also want their beef to be natural, tender and full of flavor.

In 1986 Jorgensen's beliefs led to the inception of Dakota Lean Meats Inc. In company advertising, the beef products are declared to have no additives, no antibiotics and no hormones, and to be lower in fat and cholesterol than Choice lean beef and chicken, without sacrificing taste.

To aid consumers in choosing beef that meets dietary guidelines, Dakota Lean goes one step further than other brands and provides nutritional labeling on all beef products. The labels list calories from fat, saturated fat, and unsaturated fat based on research.

Jorgensen says they offer a kind of beef that no other producer can offer because they breed their cattle to be genetically efficient. The cattle used in the program are fed to 12 or 13 months of age, when they weigh about 1,200 pounds. The carcasses weigh from 700 to 720 pounds. Because they are grain fed for a shorter period of time, the lower fat content is controlled naturally. Intact bulls that have been meticulously researched genetically are used under stringent production program guidelines. Jorgensen feels the bulls give the meat consistency of flavor, texture and leanness.



All Dakota Lean Meat products must meet rigid specifications to be sold under the label. Quality is supervised by a USDA-approved federal inspection program, from conception through the end product. This includes nutritional labeling verification, in-plant quality control, and meat processing and packaging. The carcasses are totally deboned and trimmed, resulting in consistent portions that are vacuum packed and sold frozen. Jorgensen says this attention to marketing a high quality product has achieved loyalty from a health-conscious customer base.

**Warren Bippert Jr.** is another breeder who has done some innovative marketing with his herd of Angus cattle. The Bippert family operates a 1,200-acre farm located on the outskirts of Buffalo at Alden, N.Y. The main product of the Bippert's Farms is wholesale and retail produce. But their Angus cattle are fed by-products from the produce business, meshing the operations together.

In addition to selling custom-cut halves of Bippert Beef and using their retail produce market as an outlet, the Bipperts sell CAB. Hot dogs and strip steaks are the bestselling products.

The sale of packaged frozen ground beef is a marketing idea that has proved successful for Bippert's Farms. Looking for an outlet to sell some of their cull animals, Bippert came up with the idea of using the whole animal for ground beef and selling it through the produce market. The extra-lean beef is packaged in two-pound plastic bags bearing the name of Bippert's Farms and then frozen. The response for the meat has been so overwhelming that the market has trouble keeping enough in stock.

I visited the Bippert family last July in preparation for writing a profile of their operation. (See January 1992 issue of *Angus Journal*.) After seeing their operation, our family decided to try using the same approach with some of our cull cows. We slaughtered one cow in January, ground the extra lean beef and packaged and froze the meat in one-pound packages. We soon found this was a time-consuming venture. Since we didn't have a store outlet as the Bipperts did, the method clearly had to be altered.

We slaughtered two more cull cows and this time sold the extra lean beef in unfrozen bulk amounts from 5 to 50 pounds. We packed the beef in double plastic bags that were placed in sturdy

cardboard boxes. Customers could pick the ground beef up at the farm, or we would deliver. This method worked well. We realized a larger profit by selling our cull cows as ground beef with a minimum amount of preparation, rather than selling them through the buying station. We are also supplying the ever-growing consumer demand for leaner meat.

No matter what product you are marketing, it pays to know what customers

want. One satisfied customer is sure to tell other people about a good thing. But bear in mind that it works both ways. An unsatisfied customer is sure to tell others about a bad experience with products such as beef or seedstock animals. And remember that it costs five times as much to get a new customer as to keep a customer you already have.

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