



# Grass-Fed: Boon or Bane

Grass-fed producers make a nice living in farmers' markets; however, some say the negative marketing tactics of some are bad for the beef industry.

Story & photos by **Fred Minnick**

**A**s Stan Gentle smashes a couple of meatballs with a spatula, a man walks up to the Angus producer's farmers' market stand and points at the searing meat. He listens to the juices sizzling in the skillet and takes a big whiff.

"Are those ready yet, Stan?" he asks.

"Not quite," Gentle replies. "Give me a moment, Brent."

Gentle small-talks with the man and sticks a toothpick in a meatball. Brent eyes the half-dollar-size piece of meat in Gentle's hand and grabs it. He briefly waves the ball under his nose, inhaling the aroma, and pops it in his mouth. He closes his eyes and chews slowly.

"Ah," Brent says, "it doesn't get much better than this. ... I'll have two patties."

Gentle reaches into a red cooler and pulls out two \$6-per-pound (lb.) Angus hamburger patties. The man gives him \$20 and walks away with a toothpick in his mouth. Several more people walk up to Gentle's stand, reading the sign, "grass-fed, no antibiotics or hormones."

At one point, he is surrounded by onlookers waiting for a taste of meat in a market filled with flowers and vegetables. Almost everybody here buys a couple of patties, a ribeye for \$14 per lb., ground pork or lamb. For the Prospect, Ky., shoppers, Gentle provides — in their words — "the best meat in town."

The 45-head Angus and Devon producer has found a profitable niche in the Louisville metro farmers' markets. He typically sells everything in his coolers, and sometimes a single person buys it all. Occasionally, he'll sell halves at roughly \$3.85 per lb. His customers are not shy of paying a premium price because, Gentle says, "They are tired of the quality they get from Costco and Wal-Mart. They want a good steak, and people like supporting the local guy."

## **A new way to make money**

Gentle is part of a growing group of farmers and ranchers who have cut out middlemen and started selling directly to consumers. According to the U.S. Department of Agriculture (USDA), there are 4,385 farmers' markets currently operating in the United States, representing an 18% increase from 3,706 farmers' markets in 2004. This growth indicates farmers' markets are meeting the needs of a number of small- to medium-scale farmers, USDA says. In fact, farmers' markets have

become so popular that Secretary of Agriculture Mike Johanns declared Aug. 5-11, 2007, National Farmers' Market Week.

Research also indicates the farmers' market venture can be profitable. According to a 2000 USDA study, 82% of markets are

**"Just because you're a great producer doesn't mean you'll be a great marketer of meat. [Retail] is a whole different business."**

— **Glen Nader**

sufficient to pay for all costs associated with the operation of the market.

There's no available data indicating how much Angus beef is sold through farmers' markets, but chances are it's a relatively small percentage considering farmers' markets make up less than 1% of total food sales, says Glen Nader, livestock and natural resources advisor for the University of California Cooperative Extension.

At the beginning of Nader's research in 1996, the cattle industry was in a deep depression and land costs were extremely high. Meanwhile, California development was booming and ranchers were losing their land.

"We were looking at how can somebody be sustainable and hold onto the ranch," Nader says.

Nader found farmers' markets have given ranchers a new way to make money,

especially when producers target middle- to upper-income female consumers, aged 25 to 65 years old.

According to the report, these consumers tend to be well-educated about food consumption, health issues and quality in terms of brands. After three years of marketing to them and selling at one farmers' market, the producer involved in the study earned net sales of \$294,000.

But not every rancher is cut out for the retail business, Nader says.

"Just because you're a great producer doesn't mean you'll be a great marketer of meat," he says.

"[Retail] is a whole different business."

Farmers' markets also require large insurance policies, and there are state "health officers who are very demanding and want adequate assurances that the meat will be below critical temperatures during storage and transport."

Then there are the people who can get

annoying if you're not a "people person," Nader says. "Some producers are producers

because they want to be out in God's country looking over pastures. They're not really interested in working with people. If that's your mind-set, you need to stay away from farmers' markets. But if you like working with people, farmers' markets can be fun and very rewarding," because you develop relationships with customers and they often give compliments.

However, if the meat is bad, "you'll get your share of complaints," Nader adds.

## **"Producers selling direct to consumers should always take the high road, citing benefits of their products rather than denigrating other beef in general,"**

— *Steve Suther*

### **Targeting the big dollars**

Although studies indicate farmers' market shoppers have a good deal of disposable income and are willing to pay more than the generic retail price, many cattle producers use these venues as a stepping-stone to restaurants and premium grocers.

Darrell Wood's 1,300-head California-based Angus ranch, Panorama Meat Inc., sold in farmers' markets seven years ago out of necessity because of the crashed cattle market.

"We were just trying to figure out a niche market where we can give ourselves, our kids, a future in the cattle business," Wood says. "We tried the freezer beef business, where we advertised and shipped beef frozen directly to the consumer's houses."

Wood took the excess of the freezer beef to farmers' markets and "basically pulled up with a freezer in the back of a pickup and unloaded it and went to selling. It's effective, but [the farmers' market] is a business by itself when you're running a ranching operation. Ultimately, most of these farmers' markets are on weekends and evenings, which take away from family."

Wood says he's glad Panorama Meat is no longer selling at farmers' markets. It was too labor-intensive with a small payoff, he says. These days, Panorama Meat sells directly to Whole Foods and Chipotle Mexican Grill, two companies that have wowed Wall Street by consistently doubling quarterly estimates. He also sells to Trader Joe's and HEB, but reaching this pinnacle is no easy feat.

"They don't just jump out and say 'Oh, you guys want to sell meat for our stores? Great. Here's the supermarket sales space.' It doesn't work that way," Wood says. "You've got to prove yourself; your process has to prove itself."

Wood says the natural food retailers and

CONTINUED ON PAGE 240



► Stan Gentle passionately believes in his all-natural operation, which is currently under review for organic certification. And when it comes to beef, there's no doubt in his mind that the grass-fed beef he sells at the local farmers' market is better for consumers than traditionally raised beef.

## Grass-Fed: Boon or Bane CONTINUED FROM PAGE 239

restaurants conduct thorough inspections, analyzing everything from soil to barn space to fencing to animal welfare.

“When it comes to Whole Foods, the animal welfare and the food safety checklist is almost as thick as a spring issue of *Sears and Roebuck*. The same with *Chipotle*,” Wood says. “It takes two or three years or longer for them to give you the nod, because I think they’ve been burned by smaller processors before that have made promises of supply and quality and haven’t been able to back it up in the long run.”

### Negative marketing

Landi McFarland, Hoover Angus Farms, Ellston, Iowa, believes selling beef at farmers’ markets is neither beneficial nor derogatory on an industry level. But, she says, what upsets her is how some farmers’ market producers go about selling their meat. She says the marketing mentality of “natural” and “organic” beef as being better for you than traditional beef is deceiving.

“Truth of the matter: A 3-ounce serving of organic beef has 1.3 nanograms of estrogen, whereas a conventionally raised steer (receiving growth promotants) has 1.9 nanograms of estrogen,” McFarland says. “The female body has about 480,000 nanograms of estrogen. . . . This is analogous to one blade of grass in an entire football field.”

She says that because there is an option for natural and organic beef, “that implies there is something wrong with conventionally raised beef when, in fact, there is absolutely nothing wrong with conventionally raised beef. When a consumer pays a premium for a product or service, you expect to receive a better product, but what is better about natural or organic beef? If you want a more tender, juicy steak, select a higher quality grade, not natural or organic.”

But some chefs and consumers swear there is a better taste to organic and all-natural. Sixty-six percent of U.S. consumers report they use organic products at least occasionally, according to The Hartman Group’s report, “Organic Food & Beverage Trends 2004: Lifestyles, Language and Category Adoption.”

However, demand alone does not constitute using negative marketing tactics to spread the word of all-natural beef, believes Ryan Lum of the Hawaii-based North Shore Cattle Co., which sells directly to consumers in farmers’ markets and other venues.

“Our whole marketing philosophy is based on being unique, and so we are always talking up the benefits of our grass-fed, all-natural beef,” Lum says. “We try not to focus or talk about anything negative about feedlot-raised beef, but rather on the positives of our beef. We are strong supporters of the entire beef industry and, therefore, never want to highlight anything negative.”

Not all grass-fed producers remain positive about the whole beef industry, Wood says.

“I don’t see a distinction between organic grass-fed and regular grain-fed beef — enough to where anybody could make those statements,” he says. “There’s consumer demand for the specific product that we’re raising, and consumers are willing to pay extra. I don’t agree with the [grass-fed is better] philosophy at all.”


“Producers selling direct to consumers should always take the high road, citing benefits of their products rather than denigrating other beef in general,” says Steve Suther, director of industry information for Certified Angus Beef LLC (CAB). “Although some consumers want to believe their only route to wholesome beef is at the farmers’ market, the facts would not support that.”

However, Gentle’s not buying the soft marketing pitch. He passionately believes in his all-natural operation, which is currently under review for organic certification. In fact, the Kentucky farmer and his wife, Leila, are taking the canola frying oil from their restaurant — Stan’s Fish Sandwich — and converting it to biofuel for his tractors. And when it comes to his grass-fed cattle, there’s no doubt in Gentle’s mind that his grass-fed beef is better for consumers.

Gentle tells his customers about the “harmful effects of antibiotics and hormones in beef.”

“We’ll develop a resistance to drugs we might need some day if we keep eating meat filled with antibiotics,” he says. “And we have 12- and 14-year-old girls running around these days a lot more developed than they should be because of hormones used in animals.”

Although Gentle realizes his comments may fall on deaf ears in the beef industry, he believes more producers will follow demand and eventually convert to grass-fed operations.

“Five years ago, it was a bad thing to say you were organic or natural in the industry,” he says. “Now look.” 

**Editor’s Note:** Fred Minnick is a professional writer and photographer based in Louisville, Ky.



► **Above:** For the Prospect, Ky., shoppers, Gentle provides — in their words — “the best meat in town.”

► **Right:** Consumers pay Gentle \$6 per pound for hamburger, \$14 per pound for ribeyes.

