



The Pros & Cons of Grass-finished Beef

Though still considered a niche market, grass-finished beef is steadily gaining momentum in reputation and acceptance.

by Janet Mayer

If you are part of the cattle industry, you have no doubt heard or read that there is a growing market for grass-fed beef (GFB), and although the majority of producers and consumers still believe corn-fed beef is best, GFB is steadily gaining momentum in reputation and acceptance. Obviously no longer viewed as a stringy, tough, tasteless meat, sales figures from 2006 show there were about 2,000 GFB producers who cumulatively raised between 45,000 and 50,000 head of cattle, resulting in more than \$90 million in beef retail sales.

Who are the consumers who are buying GFB, and why are they buying? Most buyers

say it is mainly because of the perceived human-health benefits, plus they believe the product is produced under more environmentally friendly and animal-friendly conditions than feedlot cattle.

According to a West Virginia University (WVU) Extension Service publication, a large part of the growing popularity of GFB is due to the fact pasture-raised animals are reputed to contain high-quality fats that can reduce the risk of heart disease, diabetes and cancer.

Research supports that conclusion. GFB has been found to be chemically different than beef raised on grain diets. It not only contains high levels of conjugated linoleic

acid, or CLA, and omega-3 fatty acids, it is also higher in antioxidants that may have similar health benefits.

Nutrition experts say the numbers may vary, but they agree that GFB can be nearly 10 times higher in omega-3 fatty acids than grain-finished beef, which contains omega-6 fatty acids. What exactly does this mean? Simply put, the mid-century switch of finishing cattle on grain instead of grass has increased omega-6s, which can make people fatter, and decreased omega-3s, which can help people be leaner.

Taste is also involved when consumers choose whether to buy GFB. An Auburn study indicated about 20%-25% of consumers prefer the taste of GFB compared to that of grain-fed beef and will often pay an average of at least \$1 per pound (lb.) more for the product. It is also an interesting detail that once consumers begin buying the product on a regular basis, they will continue to exclusively purchase GFB vs. any other type of beef.

If surveys conducted by major food marketers are correct, many consumers

Label concerns

According to John Comerford, Pennsylvania State University Extension beef specialist, there is no standard definition of "grass-fed beef" that would allow a U.S. Department of Agriculture (USDA) process-certified label to be used. There has been an extensive debate over this for several years with the purists arguing cattle must never eat grain or seedheads, but the economics, meat quality and potential size of the enterprise demand the use of supplemental feeds to maintain weight gain when grass is not available.

In 2006, the USDA proposed a definition stipulating animals be fed grass (not necessarily in a pasture) 99% of the time from weaning to harvest. The definition generated debate and thousands of comments. A revised definition is expected this year.

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— John Comerford

are buying GFB products because the meat is labeled a “Natural” food. These same consumers have also indicated they will want 40% of their food labeled as Natural within the next 5-10 years, which would definitely point toward an increase in demand for GFB.

Higher cost of production

Although GFB is hardly a major force in the beef market of today, Pennsylvania State University (Penn State) Extension Beef Specialist John Comerford says it might just be the salvation for some smaller beef producers searching for price premiums found outside the conventional commodity beef market. However, he cautions producers that they need to understand that finishing beef on grass is very different from finishing beef on corn; it comes with a higher cost of production, and it requires a higher level of management.

“Producers who know their costs well may find it is not an option for them at all, while those who do not know their costs may think that it sounds better than it probably

is,” he says. “Production of natural beef, for example, has no added value until it is at least \$6 per hundredweight (cwt.) carcass value higher than commodity beef — just due to the lack of implant use. And also, GFB can be considerably higher [in breakeven costs] because of lower quality grade, lower sale weight and higher ownership costs.”

“It is also necessary to know if you will have a market for your product, which often depends on the location,” Comerford cautions. “Since most GFB is marketed by the producer directly to the consumer, many producers may not have the resources or the ability to market because they are located in a rural area and there are very few distribution systems available to distribute it through retail sales.

“The main issue here does not appear to be having enough people to buy the product,” he continues, “it is having a distribution system in place to get it to them.”

According to studies conducted by Penn State, about 10% of GFB grades Choice; however, other producers have done better. Consumer studies have indicated a need for some postharvest intervention for GFB to make it equal to or better than grain-fed beef. Longer aging of the carcass — for up to three weeks — is the first step, but any other flavors or interventions would eliminate the use of the Natural label.

The necessity of maintaining 1.75 to 2.2 pounds per day of weight gain to maintain productive efficiency and to provide meat products that have a high acceptability among customers is another consideration, Comerford points out.

“This won’t happen on many U.S. grass-fed farms, since about 75% of this country’s

“If you are a grass finisher, one thing is certain, you need a gene pool of moderate, well-balanced, efficient cattle with good beef quality, and you want them to be the same every generation.”

— Ed Rayburn

beef producers graze with extended periods of zero plant growth,” he says. “Only the highest-quality stored forages would produce weight gains approaching 2 pounds a day.”

If contemplating producing GFB, Richard Watson, Mississippi State University research professor of forage and grassland technology, counsels farmers to develop a system that matches supply and demand, naming the northeastern part of the United States as one of the best places in the world to grow forage.

“Think of revenue on a per-acre basis so you can compare cost per acre and revenue per acre,” he advises. “It is a myth that a person can’t make money in the cattle business and that forage is a low-quality, low-value food source. In a grass-based operation, it all comes down to management and efficiency.”

For producers who are looking into changing their operations over to producing

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Johanns offers \$1 million to defray costs of organic certification

Agriculture Secretary Mike Johanns has announced the availability of \$1 million to defray annual organic certification costs in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia and Wyoming. This funding is particularly important to smaller producers so that they can meet the voluntary uniform standards set forth by the National Organic Program regulations for the production of organic products that are to be labeled as “100% organic,” “organic” or “made with organic ingredients.”

“Without this assistance, many farmers wouldn’t be able cover the costs of organic certification, because the process is lengthy and costly,” Johanns says. “In the 2007 Farm Bill proposal, the Administration recommends that this program be reauthorized and expanded to include all 50 states and permit producers and handlers to be eligible as well as increase the cost-share reimbursement, which will help small organic farmers meet these costs.”

The Agricultural Management Assistance Program, authorized by the Federal Crop Insurance Act (7 U.S.C. 1524), will allocate funds to the 15 states in proportion to the number of organic producers in each state. The states, in turn, will reimburse each eligible producer for up to 75% of their organic certification costs, not to exceed \$500. Each state is allowed to retain 4% of the total amount granted

as an administration fee.

This program is in addition to and separate from the National Organic Certification Cost Share Program, which also is administered by USDA’s Agricultural Marketing Service (AMS). The national program, part of the Farm Security and Rural Investment Act of 2002, received one-time funding of \$5 million, which was obligated to participating states through cooperative agreements.

In order to be eligible for reimbursement, an organic production operation must be located within one of the 15 designated states, meet the USDA national organic standards for organic production, and have received certification or update of certification by a USDA-accredited certifying agent during the period from Oct. 1, 2007, through Sept. 30, 2008.

A notice announcing the program was published in the Aug. 29, 2007, *Federal Register*.

Applications by states for federal assistance and cooperative agreements must be requested from and submitted to: Robert Pooler, Agriculture Marketing Specialist, National Organic Program, USDA Stop 0268, Room 4008-S, 1400 Independence Ave., SW, Washington DC 20250-0268; 202-720-3252; fax: 202-205-7808.

Additional information about the National Organic Program is at www.ams.usda.gov/nop and the farm bill proposals are at www.usda.gov/farmbil.

— Release provided by USDA.