



Profitable Meat Marketing



Profitable Meat Marketing

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- Marketing Specialist at CCE-Tompkins County.
- Master's in Ag/Food Marketing.
- Worked for 5 years for the New England Livestock Alliance & Heritage Breeds Conservancy.
- Started 2 brands of Natural & Grass-fed beef.
- Certified Ultrasound Technician



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What I heard:

- We are looking to expand herds & sales.
- How can producers grow when direct channels appear to be maxed out?
- What about co-op, small brand, and wholesale?



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My questions:

- Can we squeeze more out of direct channels?
- What are the farm's gross sales & profit goals?
- What prices/channels can support this?
- Can marketing together provide a solution?



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Agenda for tonight

1. Marketing Technique
2. Identify Farm Goals
3. Investigate Channels & Prices
4. Marketing together



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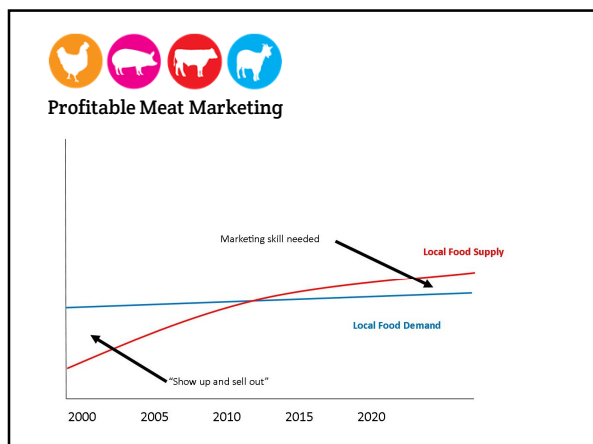
Sales Channels for Meat Sales

By the carcass

Commodity
Small/regional brand
Co-op brand
Retail stores
Restaurants
Freezer trade
Institutions

By the cut

Farmers' Markets
Farm Store (own)
Meat CSA
Retail stores
Restaurants
Institutions

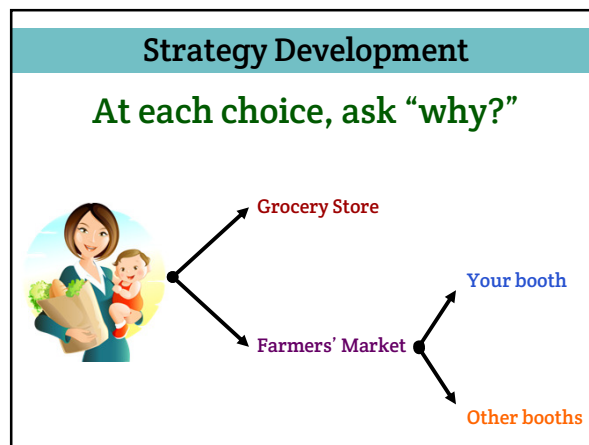



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Gross sales/hour marketing labor

Two opportunities for improvement:

- Increase sales.
- Reduce hours (and dollars) invested in marketing.



What do your customers want?

Decode their questions

Customer: "Is your farm organic?" "grass-fed?" "free-range?"

What are they really asking?

What do they care about?

Each customer has different:

Needs	"I need carrots."
Motivations	"I want to support local farms & avoid pesticides."
Desires	"I want red-cored chantenays for my dinner party."
Buying habits	"I don't have time to stop at the farmers' market for just one thing."

What do your customers want?

Local meat buyers: Who are they?

Try to understand your target customers to best serve them.

Four Main Groups of Local Food Buyers

- **Foodie/ Locavore Enthusiasts**- experience driven.
- **Personal Health/ Social Cause Motivated**- cause driven.
- **Traditional buyers**- price driven.
- **Ethnic/Religious**- culturally driven.



Strategy Development

- Let's develop your farm's message and your basic marketing strategy.
- **WHY?**
 - Focuses your message & identity.
 - Make your marketing labor most effective.
 - Differentiates and positions your farm.
 - Attracts your target customers.
 - Allows you to serve customers better.
 - What will the future bring?

Strategy Development

Our farm raises **claims/product(s)** for **target customers** who **activity/demographic/behavior**.

Impacts production and marketing decisions.









Strategy Development

Without a strategy:

- Everyone has to eat. We sell whatever we have to anyone who will buy it.

Example: The humble carrot

Families, with young children, worried about pesticides.	Topped, bagged, small carrots.		Adelaide
Large Chain Grocery store	Orange, large, bagged, 2 lb. bags.		Bolero
Local Natural Foods Store	Rainbow bunches, tops on, 1 lb. bunches		Rainbow mix
Seniors paying with nutrition checks	Small bunches, thin, orange.		Romance
Juicers & Health Fanatics	Super clean, 5 lb. bags, topped. Seconds!		Purple
Chefs at small restaurants with farm names on the menu.	Fancy varieties, by the lb., order minimum		Atlas

Marketing objectives:

What are you trying to accomplish?

- To accomplish *differentiation, branding, and positioning.*
- To increase name (brand) recognition.
- To build a positive & distinct image.
- To carve out your spot in the market.
- To gain customers.
- To increase sales.



Marketing objectives:

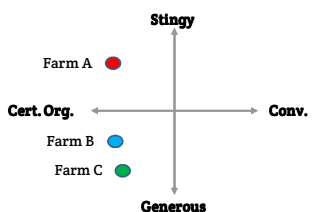
What are you trying to accomplish?

- Differentiation- how you stand apart
- Branding- increasing visibility w/ an image.
- Positioning- "they are the ones that ___"

Marketing objectives:

Perceptual Mapping

- Perception vs. Reality



Marketing objectives:

Ideas for local foods qualities on a continuum



Marketing objectives:

An objective pays off when specific & measureable

- “I should put some money in savings”
- “I will put money in savings every month”
- “I’ll put \$50 from my first pay check in savings every month beginning in Sept.”

Marketing objectives:

An objective pays off when specific & measureable

I grossed an average of \$525 per farmers' market last summer.

Objective I want to gross an average of \$750 per farmers' market...

Audience ...to my target audience...

Budget \$75/week

Timeline ...from June 21 through October 31.

Action I will offer 10% off of orders \$20 or more. I'll put it on a big sign at my stall. (That would take 38 customers).

Actually, that's just \$2 off, what could I do that is more interesting?

Marketing objectives:

An objective pays off when specific & measureable

We want to profitably market 12 head of beef this year.

Objective I want to get 48 beef quarters sold this fall.

Audience ...rural families with young children who don't know about us...

Budget \$50/week x 15 weeks = \$750

Timeline ...from Sept 1st through Dec. 20.

Action



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Identify Farm Goals &

Investigate Channels & Prices

1. Identify income & profit goals
2. Understand channel costs.
3. Develop a price that works for each channel.



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What are the farm's financial goals?

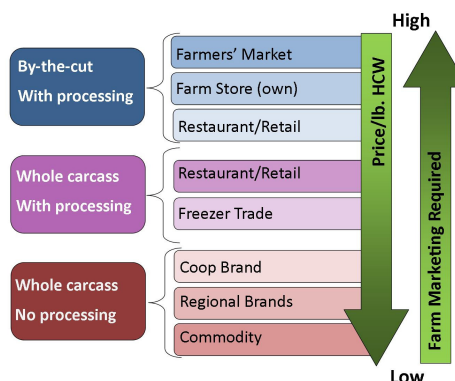
Per Year Per Species Per Head

How much do we wish to make in Gross Sales?

How many head do we need to market to reach that?

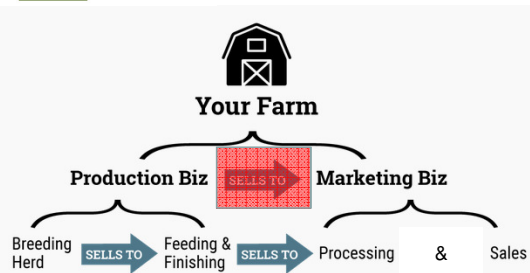
How much do we expect to retain as Profit?

Now we can create sales projections and write specific objectives!



Livestock
Yield & Price
Calculator

Base Price & Premiums



Livestock
Yield & Price
Calculator

Base Price & Premiums

- How much profit would I like my PRODUCTION business to make on 1 head?
- What is my cost of production?
- What are the going rates?
- Meader estimates break-even at \$2.45 lb/ HCW



Livestock
Yield & Price
Calculator

Mark-up

- How much profit would I like on 1 head?
- How much time will I invest in selling?

Channel	Estimated labor/head
Farmers' Market	84
Restaurants (cuts)	32
Freezer Trade	12
Commodity/Small Brand	1-3



Livestock
Yield & Price
Calculator

Go to Calculator

<http://calculator.meatsuite.com/>



Livestock
Yield & Price
Calculator

What's the point?

- To ensure a profit.
- To test & adjust current market channels.
- To account for labor & costs.
- To manage inventory of cuts.
- To evaluate and price for new opportunity.
- To aid wholesale buyers.
- To develop channel-specific pricing that works!



Livestock
Yield & Price
Calculator

What's the point?

Price + Premium	Nearness to target , ORIGINAL PRICING	Nearness to target, REVISED PRICING
\$1.88	-\$180.69	\$148.32
\$2.45	-\$663.48	-\$334.48



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Parts 4: Marketing Together (?)

Formation & Coordination of a branded business selling by the cut.

Selling to each other- the simplest collaboration.

Collaboration on promotions.



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Parts 4: Marketing Together

MeatSuite.com: One approach in New York State.

MeatSuite.com is a website promoting sales of bulk meat to consumers. Its main function is as a farm directory. MeatSuite also offers educational events and a Facebook page.



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Why go freezer trade?

- Premium pricing (above market).
- Whole carcass demand.
- USDA-inspection not necessary.
- Efficient marketing (low labor).
- Affordable for consumers.
- Less need for year round supply.
- No inventory mgmt., reduces risk & labor



MEATSUITE.com

Go to www.MeatSuite.com



Performance Stats

- Beef: \$4.19 HCW (97 farms)(1/4)
- Pork: \$3.97 HCW (60)(1/2)
- Chicken: \$4.09/lb. (50)(whole)
- Lamb: \$7.29 HCW (33)(whole)

**Prices include processing. Updated Jan. '17*



Performance Stats

Farms on MeatSuite:	
2012-2015	30-50
June 2015	50
March 2016	111
December 2016	197
August 2017	220



Performance Stats

Profiles active for:	number	rec'd contact	made a sale
0-6 months:	21	19%	14%
7-12 months:	13	20%	13%
12-24 months:	29	48%	40%
over 2 years:	14	79%	57%



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CONTACT INFORMATION

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