Marketing and value-added opportunities with alternative swine systems
(Session 3B)

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Cindy Madsen is a member of Audubon County Family Farms, a group of producers who believe in healthy farms raising healthy families. They work together to market their products directly to the consumer. Four producers use hooped structures in their hog production, two sell chickens and eggs, one has antibiotic-free beef, as well as other products. All have very diverse, sustainable farming systems. It helps to have a state-inspected small processor available 20 miles from Audubon.

When Audubon County Family Farms started, a lot of time was spent learning the rules, labeling requirements, and legal aspects of direct marketing meat. The group now has a coordinator, Donna Bauer, who has spent quite a lot of time researching these issues. The group’s strategy is to take orders for meat at farmers’ markets in the Des Moines area. The products can be sent throughout the state using dry ice.

Marketing keys include offering samples and recipes, which always increase sales. One of Audubon County Family Farms’ most successful promotions was the sale of Christmas boxes. This really increases income for the year. The group also hosted a festival in August for their urban customers. Customers are invited to visit the farms where their products are raised, and this has been a successful way to strengthen relationships. One unsuccessful strategy was to set up an 800 number for customer calls. In the four months it was in use, only one customer used the toll-free number. Audubon County Family Farms customers are happy to use their own dime to call about questions or orders.

Audubon County Family Farms has developed their own label for hoops-raised pork. They established it as a trademark by sending a description to the Iowa Secretary of State. This label must be used under “distributed by” in addition to the packer’s label.

Many farmers’ markets have different requirements for food safety restrictions. It is best to establish a good relationship with each farmer’s market coordinator, so that producers understand rules that relate to the sale of their products at each particular market. On the farm, freezers used for Audubon County Family Farm products are inspected once a year by the state inspector. Producers are allowed to use their family freezer for products, but a
partition must separate the meat that is for sale.

Madsen feels that direct marketing of meat can be successful, but other groups of small, sustainable farmers should try to find more “experts” to help them in their efforts. She suggested a person who would work to acquire labeling for these types of products, and another person who could address food safety for small farming and marketing operations.

Gary Malenke of Sioux-Preme Packing shared insights from the packer’s perspective. His company’s primary business had used mostly frozen carcasses until they began working with Farmland Foods and started to custom cut their own hogs in early 1997. In a constantly changing business, he said Sioux-Preme had trouble establishing an identity in a very competitive primal cuts market. One strategy has been to focus on lighter weight pigs, which work well for food service. To differentiate themselves, they went to customers not being served by the mainstream packers.

Malenke said Sioux-Preme is always looking for niches where they can fit. Organic meat is a growing market, along with natural meats, and will become more clearly defined in the future. Sioux-Preme is involved in the Berkshire Gold program developed for the Japanese market, and he sees it as a viable program for small producers. Sioux-Preme currently offers a custom kill, custom cut program. They charge $10-15 to kill and the cut is more depending on specifications. While the custom kill/cut currently accounts for only 10 percent of their business, they would like to expand it to around 50 percent.

People who work in niche markets must know exactly what the customer wants, which is sometimes a moving target. Sioux-Preme sees niche markets continuing to grow as grocers and retailers also look for ways to differentiate themselves from mass marketers. He believes exports to Japan are just getting started, and although work needs to be done, there will be opportunities in the future. One thing that would help in niche markets is a better definition for “quality” that goes beyond the “organic” and “natural” labels. Malenke said he would like to see a “pull through” program that is pulled by customer demand, not pushed by production. He urged the audience to call into the USDA Marketing News Reporting Service, which sets the base price according to surveys of packers. The number is 1-800-687-7410.