2006

Supporting direct meat marketing in Iowa

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Recommended Citation
Huber, Gary; Hartmann, Rick; and Kimm, Todd, "Supporting direct meat marketing in Iowa" (2006). Leopold Center Completed Grant Reports. 268.
http://lib.dr.iastate.edu/leopold_grantreports/268

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Abstract
This project helped farmers and processors to identify a variety of constructive ways to make direct meat marketing more successful and profitable. Tools included farmer workshops, market surveys, and various educational tools about marketing techniques.

Keywords
Community-based food systems, Market research and feasibility studies

Disciplines
Agribusiness | Marketing
Supporting direct meat marketing in Iowa

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Question & Answer

Q: What are some suggestions to help succeed in marketing meat direct to consumers?

A: Develop a brand identity for your farm based on your values, and spend time developing your customer based starting with people you know. Closely examine examples of successful promotional materials to help with your own message development. Partner with CSAs and buying clubs to increase access to consumers who are interested in purchasing meats directly from farmers.

Background

Farmers are interested in marketing their livestock directly to consumers. Similarly, consumers are interested in knowing who produces the meat they eat and exactly how it is produced. However, farmers who want to market their meat products directly to consumers will encounter some barriers.

There are few examples of local meat processors and farmers effectively cooperating to take advantage of local market opportunities. Also, there is little consumer-tested, readily applicable direct marketing information available to producers. Additional markets and distribution infrastructure are needed to increase direct market meat sales. This project employed a three-part strategy to support direct meat marketers at three levels of development. The following objectives were identified:

1. Enhance partnerships between farmers and their meat processors, and increase skills to develop and implement effective direct-marketing ventures for meats;
2. Provide farmers with knowledge, information, and agency support to succeed in efforts to market the products of grass-based systems; and
3. Create new markets, and sales and distribution infrastructure for farmers who are direct marketing sustainably raised meats.

Approach and methods

Three workshops on “Branding Your Beliefs—Adding Value to Livestock by Connecting with Your Community,” were conducted by Mike Lorentz of Lorentz Meats of Cannon Falls, Minnesota. The curriculum included 100-page manuals to help train farmers and processors. Organizers worked in partnership with Ag Connect to conduct these workshops in Creston, Clarksville, and Newhall, Iowa.

A second segment of the project was to develop educational materials on marketing grass-based meat products and disseminate these materials to farmers and agricultural professionals. The materials included three case studies on how farmers used professional promotional materials to secure customers and a CD that included the case studies, a PowerPoint summary, and samples of the marketing materials. Dissemination involved two field

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Budget: $22,371 for year one
days where the promotional materials and their use were described and discussed, plus a workshop at the annual conference of Practical Farmers of Iowa.

The objective related to creating new markets was met by exploring the feasibility of farmers selling sustainable meat products to three largely untapped consumer markets—cooperative buying clubs, CSAs, and a local produce distribution company. Ultimately, 23 buying club members and three club coordinators were surveyed in person about meat marketing. Completed surveys were returned by 110 CSA members. Two Practical Farmers of Iowa (PFI) farmers with extensive experience in direct meat marketing also were interviewed. Questions posed to each of these three groups focused on the economic and logistical feasibility for local farmers to partner with CSAs and buying clubs.

Results and discussion

Forty-eight people attended the three meat marketing workshops, including farmers and meat processors. The two groups had different interests, so the focus included both marketing and processing topics.

Producing professional promotional materials with the aid of a marketing consultant with access to market research data proved to be a valuable process for three grass-based livestock farmers. In all three cases, they were able to expand their markets while reducing the time needed for marketing because they learned how to create more focused and effective consumer messages.

Although it was expected that a significant portion of the CSA and buying club members would be vegetarian, when they were asked about their average meat and egg purchases, only 4 to 5 percent of the members said that they neither ate nor purchased meat. Of the meat-buying households, many were already buying some meat from local producers, usually for a specific sustainable attribute (such as organic or free range). There appeared to be substantial opportunity to increase meat sales to these two groups. Purchasing “bundles” of meat was not particularly appealing to the consumers, but this practice would help farmers avoid an over- and undersupply of certain cuts. Both CSA and buying club members cited “antibiotic free” and “hormone free” as desirable attributes for meat purchases. Even if farmers and consumers find common ground among types of agricultural products for sale, the logistics of ordering, delivering, and storage must be sorted out in a mutually satisfactory manner.

Conclusions

There are many Iowa farmers who sell their meat products in their communities and beyond. These direct marketers generally offer products differentiated from their competitors by the production system under which the animals are raised.

Direct marketing is a tool that supports grass-based production systems. The case studies in this project showed how market research and material development done by the farmer and the consultant working together achieved favorable results.

Each farmer emerged from the process with a dynamic marketing brochure. However, creating these marketing materials can be costly, and small producers need to think carefully about the most efficient ways to access the services of marketing professionals, and use what is learned for further marketing efforts.

As for potential new markets, the results of this study showed clearly that members and operators/managers of some CSAs and buying clubs in Iowa could establish mutually beneficial relationships with direct market, sustainable local meat producers. Demand for meat with sustainable attributes was high among the groups studied. When the meat was offered through these venues, its value was increased further.

With maturation in the Iowa local and sustainable food movement, consumers need organized and significant opportunities to purchase even more of their household food needs from local, sustainable sources. Iowa’s local food system needs to become a genuine food system choice for the eating public.

Based on conversations with experienced direct meat market farmers, a modest-sized CSA or buying club similar to those in the study fulfills many of the requirements for a viable market for sustainable meat producers. Stacking deliveries to more than one CSA or buying club, or other strategies to coordinate delivery schedules with similar or existing markets would lower the minimum amount of orders the farmer would require.
In general, the buying clubs and CSAs under study had memberships likely to have more income and more education than the average Iowan. All groups surveyed were from urban and suburban areas within central Iowa. Care should be made in extrapolating the results from this study to other clubs and farms.

Impact of results

For farmers attempting to diversify their operations by marketing differentiated livestock products (i.e., organic, natural, free range, grass fed) directly to consumers, there are skills, tools, and markets that can increase their success.

- This project showed that there was good potential for direct marketing meats for farmers who invested in packaging, brand creation and building a customer base.
- Having professional marketing materials that resonate with target markets can increase sales and decrease time spent on marketing.
- When looking for new markets, don’t overlook already assembled groups that naturally embrace the values manifest in your product.

Overall, there is room for growth and success in direct marketing differentiated meat products in Iowa.

Education and outreach

Three case studies and a CD were completed in conjunction with this project. A workshop on direct marketing of meats was held at the PFI annual conference in January 2005 with 50 participants. Two of the farms that developed marketing materials for their direct meat marketing operation were featured in the 2005 PFI Farm Field Days. Tom and Kristi German hosted the Grass-fed Beef Production and Marketing Day in August and Nan Bofils and Don Adams hosted the Quality Corn, Crop Breeding for Farmers Day in September.

PFI has created a PowerPoint presentation that summarizes the lessons learned through the grass-based market research, the marketing support provided to three Iowa farms, and the case studies. The presentation is available on the PFI web site and on a CD that PFI is distributing to interested parties.

Leveraged funds

Additional funds leveraged by the project included $4,000 from a USDA-FSMIP grant (for the Branding Your Belief Workshops) and $2,050 from participant fees for the Branding Your Belief Workshops.