

## Marketing Meats Directly to Consumers

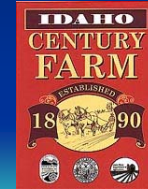
Our experience selling grass-fed meats and jerky

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## Our Operation

- We are the 5<sup>th</sup> generation on our farm
- This year is our 125<sup>th</sup> anniversary – patented in 1882



## Our Operation

60 Beef Cattle  
90 Ewes  
1100 Acres outside Soda Springs  
at 6000 ft  
480 Acres leased out as pasture  
200 Acres meadow pasture  
Remainder all hay/pasture



Too small to make it with commodity prices!

## Our Operation

- We broke out of the commodity market because we couldn't make the farm support the family.
- John couldn't continue to work 40 hrs a day at a paycheck job, and run the farm morning, nights and weekends.
- We wanted to make the farm pay or we would consider selling out!

## Our Resources

- We looked at our farm's resources
  - Lots of pasture (some sub-irrigated)
  - Ground doesn't grow grains (or other crops) very well
  - too frost prone & no irrigation



## Our Resources

- Our farm's resources
  - Cattle & Sheep
  - Knowledge of raising cattle and sheep
  - Equipment-livestock trailer, corrals



## Our Resources

- Minimal debt
- Savings to support us
- My time
  - kids were 2 ½ and 4 ½
- John's time if he could quit his job

## Our Decision



- We had to make more money
- Never going to have economy of scale (reduce costs)
- Had to get more for our animals (increase revenue)
  - Make them worth more
    - Differentiate them from the average animal
    - Natural-no hormone implants, no antibiotics
    - Grass-fed or no grain diet

## Make Them Worth More

- We knew from our reading that people around the nation were paying others premiums to know:
  - Where their meat was coming from
  - That it was hormone and antibiotic free
  - That it was raised on forage (grass and hay)
  - That it was dry-aged

## Make Them Worth More

- We had already quit using hormone implants (they didn't work for us)
- We were already producing the vast majority of our animals without giving them antibiotics or other medicines (other than vaccines).
  - Why not get a premium for doing this?

## Competition?

- We'd Identified a niche market willing to make a premium, but
  - Was anyone serving this market already locally? We checked:
    - Local Stores
    - Farmers' Markets
    - Websites

The niche seemed to be underserved

## Did Customers Exist in Our Area?

- We knew customers for this type of meat existed in other areas
- But did they exist here in SE Idaho and N Utah?
  - We reasoned that there had to be some people that had the concerns that would lead them to try our meat.
  - Existence of other farms in region & related products at markets seemed to support this.

## Rules & Regulations

- Meat has to be USDA inspected
  - If you want your own label it has to be approved by Food Safety Inspection Service (FSIS) in D.C.



## Rules & Regulations

- Health Department
  - Storage freezers (Commissary) must be inspected
  - Inspected at Market or Point of Sale
    - Show ability to keep meat below 41 degrees
  - Major steps to be able to prepare samples
  - Much simpler to sell frozen meat vs. fresh
- Seller's Permit for each State

## Small Experiment

- Test the market
  - Showed up at farmers market with a small amount of meat and low cost set up
  - People bought the meat and returned for more!
  - Gradually become convinced we could do this.



## Cuts vs. Carcass Sales

- Carcass Orders
  - Pro's
    - Large volume sale with minimal effort
    - No yield risk for seller
  - Con's
    - More risky for consumer-would they gamble on a larger order without trying it first?
    - Would they pay premium we would need?
    - Smaller number of customers who can/will buy this way



## Cuts vs. Carcass Sales

- Individual Cuts
  - Pro's
    - Larger number of people can/will buy
      - Less risky for them
      - Get low volume meat eaters
    - Higher Premium
  - Con's
    - We take all the yield risk
    - More work-inventory mgmt, packing to sell, contacting customers
    - Inventory losses (esp. bone-in vacuum sealed meats)
    - Unequal sales-steaks vs. roasts vs. ground



## Our Customers

- Often are low volume meat eaters-once a week
- Concerned about source of food and health issues
- Willing to pay more for above average food
- Many of them value knowing the producers of their foods

## Marketing the Relationship

- "People come to farmers' markets seeking a more personal shopping experience than grocery stores offer, part of which is getting to know the farmer who grows the food. That relationship is what will bring them back again and again...the most popular growers are those who provide entertaining conversation, a bit of education about their produce and some indication of interest in their customers"

## Connecting with Customers

- I want to support families in my community; and I prefer organic, unprocessed foods. In some cases, it is better to go with locally grown produce even with some pesticides/fertilizers (as long as they are disclosed) than to go with long-distance organics. So I weigh the pros and cons and usually go with a vendor I feel a connection with, organic or not, that I can trust. So there you have it. I support the vendors that I trust. I hope that makes them a success. They deserve it.  
– Lindee Adams, Pocatello, ID (one of our customers)

## Marketing the Relationship

Go the extra step and connect

- Meat purchases are perceived as more risky, requires more trust
- Learn your customers names and preferences
- Engage them in conversation (these can be "teaching moments")



## Marketing the Relationship

- Willingness to accommodate unusual requests
- Teaching - how different, how to use
  - Need friendly, knowledgeable person in booth willing to "sell your story" and your product
- Related Item Selling



## What Are You Selling?

- We are selling more than a piece of meat
  - The production method: grass-fed, natural, dry-aged, pastured
  - Peace of mind, feeling of being connected
  - Service
    - special orders, reserving cuts, cooking tips, recipes
  - Supporting local food production
  - Supporting sustainable food production
  - Humane treatment of animals



## What Are You selling?

- Every dollar they spend also supports:
  - Open Space
    - If our farm can not support us, we may have to sell the land (in our case we have owned it for 125 years)
      - Most likely it would then eventually be developed
  - Recreation Opportunities
    - Some offer more than we do



## What Are You Selling

- Every dollar they spend also supports:



Wildlife Habitat



## What Are You Selling?

- Every dollar they spend also supports:
  - Raising another generation with the knowledge and skill to raise food sustainably
  - Keeping this small family farm viable



## What Are You Selling?

- Whatever you are producing and selling there is more to the story.
  - Be Sure to "Sell the Story" as it is part of what differentiates you, and helps your customers identify with you
  - This increase customer loyalty, which means more sales!
  - It also makes your products "worth more" and justifies your higher price

## Staying Connected

- Website
  - Gives credibility
- Mailings
  - Email and Postcards monthly
  - Sale items, delivery times, deadlines for special orders, recipes
- Newsletters
  - More room to teach about the farm, more room for chattiness (relationship building)
  - Higher postage cost



## Other Thoughts

- Set up doesn't have to be too high tech-just clean & noticeable
  - not too slick nor too sloppy
- Have a good relationship with health dept. staff
  - Talk to them long before you process the first animal



## Pricing Your Products

- **"Do not undercharge... be proud of your livelihood and charge what you need to make your livelihood. Don't try to compete with supermarkets"**  
*-Chris Burke, Boulder CO*

Thank You

Grass-Fed is Best!

