

Going Local

The next big thing in our increasingly global marketplace may be right next-door.

by Megan Galloway

The sights, smells and colors of a summertime farmers market are as diverse and delightful as the locals who flock to them — both buyers and sellers. Fresh sweet corn, juicy ripe tomatoes, and plump sweet blackberries are perennial favorites sought out by loyal customers year after year. But more recently, a new generation of consumers has taken to seeking the highest quality, freshest foods available to them in the stands of area markets. And they want more than just veggies and berries. These enlightened consumers are seeking high-quality, locally produced, farm fresh meats; and they are willing to pay a premium to get what they want.

A local success story

Cary and Sarah Aubrey of Elwood, Ind., caught on to this craze in its early stages. They began their local meat business, Aubrey's Natural Meats LLC, in 2003 and have seen a tremendous amount of growth in sales ever since. "We sell all natural beef and pork with no hormones, no additives and no antibiotics," Sarah Aubrey says. "Our beef products are all Choice or better,



Sarah Aubrey displays individual packages of Aubrey's Natural Meats. The business has grown rapidly and now has a customer waiting list for its popular products.

and we dry-age the meat for two weeks — a part of the process that really adds to the quality of our product."

Although Aubrey says the business began with a focus on restaurant sales that changed quickly. They found the scale of the business to be less manageable than what they had hoped and the profit margin lower than it could be. Now, they focus almost entirely on selling directly to consumers and find it to be a much better situation, which is more manageable and offers a higher profit margin.

"We were moving over 100 head of steers with the restaurants, and now we only sell around 20 and are actually making about 75% more money," Aubrey notes. Advertising is no longer needed to market their in-demand product. Their extensive customer list adds to itself by word-of-mouth from current buyers who are thrilled with the products they've purchased.

Because of this consumer-originated publicity, a large portion of their sales comes over

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the phone or via e-mail. The other portion is generated at weekend farmers markets where Aubrey originally began her sales of packaged meat products. This face-to-face contact, combined with grilled samples, built an initial customer base of extremely loyal consumers. "With this type of niche marketing, you've got to go out and meet the public," she says. "It's really important to make that connection."

She believes that the farmers markets are a great, cheap place to sell and are invaluable as far as meeting consumers and drawing in new customers. However, she also appreciates the Web site as online customers tend to have done their research and are more ready to buy when they do contact Aubrey's.

Since it operates on a smaller scale, Aubrey's Natural Meats is a seasonal enterprise that "opens" May 15 and runs through approximately Oct. 15. Grilling season drives the business and creates much of the Aubrey's intense summertime demand. Other sales are made at Christmas time and Aubrey's will fill bulk orders — anything that is half a steer or more — at various times throughout the year. It doesn't experience very many sales throughout the winter.

Aubrey's prices, much higher than average supermarket prices, are consistent with similar products offered by other natural meat suppliers, and consumers have been very willing to pay for what they want. Often, the demand outweighs the supplies during peak season, and the Aubreys now find themselves frequently running out of products — and not just the high-end cuts.

"People are quite willing to splurge on high-quality steaks, and we can't keep enough of the typical cuts on hand so we had to start selling other lesser known steaks, like the flat iron," Aubrey says. "The ground beef is very popular, as well, since it still tastes better to many consumers. They are used to McDonald's burgers and what we sell is nothing like that."

Trendy eating

As Aubrey's and other local foods entrepreneurs have seen, buying locally has become the newest foodie trend. The national media has dubbed local food a more eco-friendly and more popular option than organic. This is great news for smaller beef producers, who may struggle to meet the stringent demands of organic production, but can easily qualify their meat products as local and, often, as natural.

Understanding some of the factors driving this trend can help determine how producers market their products. Aubrey believes that knowing where their food comes from is what pleases consumers most about buying locally, and positive interactions with customers keep them coming back year after year. "People are stressed about the foodservice industry," she says. "Knowing you and knowing where their beef came from makes them feel better about what they are eating."

Wendy White, Colorado Department of Agriculture marketing specialist, Lakewood, Colo., agrees that the national trend toward local products is largely driven by this interest among the consuming public in knowing where its food comes from. "People have always enjoyed finding out where food comes from," White says. "This connection to the farm and experience of knowing the farmer can add a lot of value to a food product for many consumers."

However, White says that for many consumers, the benefits of local go far beyond their own personal needs. Local food buyers frequently have a strong belief in local businesses and hope that by purchasing local meats, they will be helping the



Cary Aubrey enjoys interacting with customers at area farmers markets while selling Aubrey's Natural Meats. The Aubreys have found the markets to be a great way to make contact with consumers and build a loyal customer base.

family farm to avoid extinction while boosting the local economy. In addition, “locovores” see local products as eco-friendly because they don’t travel as far and, thus, burn less fossil fuels. All of these benefits come with the added bonus of fresher, more source verifiable foods in the minds of many local consumers.

Of course, not every consumer has an overwhelming desire to know who’s raising his/her food products, and not everyone can afford to pay more to support local economies. Doing a little market research ahead of time can help determine what type of person exists in an area who may be willing to pay higher prices for certain types of meat. Aubrey put in some time prior to opening Aubrey’s Natural Meats in order to identify what kind of market would be available.

“We live north of Indianapolis in an area that is becoming increasingly affluent,” she says. “We have a lot of people with high income and high education levels who want the very best and are willing to pay a little more for it.” She identified three groups who purchase from them: the “foodies,” who are high-end consumers willing to pay for flavor and quality in order to have the best product available; the “sentimentalists,” who have some past attachment to farming or a positive farm memory and want to purchase food from a similar operation; and the “health nuts,” who believe that local and/or natural is a healthier or more eco-friendly option. She points out that she doesn’t necessarily agree with the last group’s thoughts but simply tries to educate them on what she has to offer and then lets them decide what to purchase.

White notes that the target market for most foods has historically been women between the ages of 21 and 54, as they tend to make the majority of food purchasing decisions in a household. But with local foods, it can be a little different. “Practically anyone could be a target for local meats — anyone who loves food and loves to cook,” she says.

Selling tips

As the local trend has developed, state ag departments have enacted various programs to aid producers in taking advantage of this trend. “Colorado Proud is a free program for food producers in the state of Colorado to utilize when selling their Colorado grown products,” White says. Members are included in an annual meat directory for smaller meat producers who sell directly to consumers and Colorado

Proud encourages members to use their logo on packages or advertisements so they can benefit from Colorado Proud advertising campaigns.

Colorado isn’t the only state with a local marketing initiative and White encourages beef producers interested in marketing locally to check with their state ag departments to find out what programs may exist in their areas. Additional labeling, such as Colorado Proud, can be a bonus to consumers selecting a locally grown product.

As a small operation selling within a niche market, Aubrey’s has found a number of extra selling points that make its product stand out. “Everything we sell is pasture raised with corn silage as the primary feed and some grain supplementation,” Aubrey says.

Having the animals naturally raised outside of a typical feedlot environment has been something that the consumers appreciate and adds to the value of Aubrey’s meats. Additionally, being able to call its product hormone, antibiotic and additive-free makes it even more appealing to many consumers.

Most of these labels don’t require any additional documentation, but Aubrey’s keeps its own records to support its claims. White advises producers to do their research and contact their state ag departments to

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be sure they are aware of any legal matters when it comes to marketing their local products.

Aubrey says she thinks education is important when marketing her products — both for the seller and the consumer. “I prefer to educate the consumer about what is available, then let them make their own choice,” Aubrey says. “I don’t ever want the consumer to think that the conventional beef business is a bad option.”

Local beef isn’t for everyone, and Aubrey stresses the importance of market research in determining whether it would work. “Know your market before you do it,” she advises. “Just because you have cattle and want more money doesn’t mean it will work for you. Consider what you can sell and if you have a customer.”

Larger breeders able to sell uniform loads of calves to a premium market, such as Certified Hereford Beef®, most likely don’t need a marketing

alternative. On the other hand, Aubrey believes that smaller breeders with a need to improve the value of their steers may find local meats a viable selling proposition. “Niche marketing is a valuable idea for small farmers and can save the farm and keep you home. It’s done that for Cary and I,” she says. “It’s a great opportunity for any producer who wants to market their beef, their program and their individuality.” **HW**

Editor’s Note: Sarah Aubrey has written a book about how to start your own business titled, “Starting and Running Your Own Small Farm Business.” The book is available anywhere books are sold, or by going to www.storey.com and searching under the book’s title or by contacting the author directly at sarah.aubrey@att.net.

Labeling extras

“Local foods” are still being defined. Some people consider them foods produced within 100 miles; others consider the length of drive to get the food. Whatever your meaning of “local” may be, the U.S. Department of Agriculture’s (USDA) Food Safety and Inspection Service (FSIS) has created definitions for some of the other commonly used terms that could wind up on your meat items’ packaging.

Certified:

The term “certified” implies that the USDA’s FSIS and the Agriculture Marketing Service have officially evaluated a meat product for class, grade, or other quality characteristics (e.g., “Certified Hereford Beef®”). When used under other circumstances, the term must be closely associated with the name of the organization responsible for the “certification” process, e.g., “XYZ Company’s Certified Beef.”

Chemical free:

The term is not allowed to be used on a label.

Natural:

A product containing no artificial ingredient or added color and being only minimally processed (a process which does not fundamentally alter the raw product) may be labeled natural. The label must explain the use of the term natural (such as no added colorings or artificial ingredients or minimal processing).

No hormones (beef):

The term “no hormones administered” may be approved for use on the label of beef products if sufficient documentation, which shows that no hormones have been used in raising the animals is provided to USDA by the producer.

No antibiotics (red meat and poultry):

The terms “no antibiotics added” may be used on labels for meat or poultry products if sufficient documentation is provided by the producer to USDA demonstrating that the animals were raised without antibiotics.

Organic:

Organic labeling is a much trickier market to hit and requires an extensive list of requirements be met and the producer must become a certified organic producer. Check with your state ag department or the USDA if you are interested in becoming organic certified.

It’s important to understand these terms and to know any rules or regulations that may affect your selling area before setting out to market your locally produced meat products. If your product does fit within a category, such as natural, that may be an added selling point that could bump up your profit margin.

For more information, visit the USDA’s Web site www.usda.gov or contact your state department of agriculture office. **HW**