



Brand New

CHB LLC launches Nuestro Rancho™ brand, targeting Hispanic consumers.

by Sara Gugelmeyer

After nearly three years of hard work, the American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC staffs have created a new Hereford-based beef brand.

Craig Huffhines, AHA executive vice president, and Rob Ames, former CHB LLC executive vice president, saw an opportunity for Hereford beef. They learned that Hispanics purchase three to four times as

much beef as other consumers and most of the beef they purchase is underutilized cuts from the chuck and round. AHA and CHB LLC staffs seized the opportunity to sell Hereford beef to these consumers and after careful consideration and planning, launched the new brand June 5.

Now, in 31 Hispanic grocery stores throughout the Los Angeles area, shoppers have the opportunity to buy Hereford beef

labeled Nuestro Rancho™ from a service case cut just the way they like it. But getting to this point wasn't easy.

Once the idea came about, the real work began. "The main thing was to find out if there was the possibility to sell to such a tight demographic market in a community where eating a lot of beef is traditional in their family meal rotation," says Arden Gremmert, CHB LLC interim general manager. The concern was, Gremmert explains, "Stores that serve this community have always wanted to be sure they had a very competitively priced product, or lower priced product. And so we were trying to discover if a premium product, like one based in CHB cattle and processes, would fit within that marketing concept."

At that point, "CHB LLC commissioned food marketing researchers to conduct a feasibility study to determine if a brand could be developed and targeted toward the Hispanic community," Huffhines explains.

Strong feedback from the study, which was conducted by a Hispanic marketing firm, encouraged the CHB staff. Gremmert says, "That study opened up our eyes as a company, and we saw a good chance it could work. It would have to be priced right, it would have to be delivered correctly and good point-of-sale is a necessity."

What's in a name?

Gremmert says staff members realized from the start the products' branding would be key. "We'll have to have a brand name that does a number of different things," Gremmert explains. "No. 1, it needs to sound catchy enough to be remembered, but it also needs to be simple and sound

fairly American. These families, many of whom have been in the U.S. for several generations, are looking for American brands."

Choosing a brand name presented a huge challenge for CHB LLC staff members.

Shonda Anderson, CHB LLC account manager, led the long search for the perfect name. "We really wanted a name that would quantify in the minds of Hispanic people in America

what the brand was about and would portray the overall feeling of the brand," Anderson says.

Many ideas were pitched to the staff. They narrowed it down to four or five options they felt would sell. "But, good ideas that sell are not necessarily ideas that go successfully through trademarking and licensing criteria," she says.

Unfortunately, asking a lawyer to check every idea with the U.S. Patent and Trademark office was too costly. So, when a potential name was found, Anderson would search the U.S. Patent and Trademark office's Web site and other online sites for businesses with similar names.

Gremmert says they went through about a dozen names before they found one that the lawyers felt confident would survive the patent and trademark office search. Through this lengthy process, the staff chose the name *Nuestro Rancho*, which means "our ranch" in Spanish. Its tagline is prominently displayed as well: "American Hereford Beef."

The brand name is still in the process of earning patent and trademark rights in the U.S. and Mexico.

Complementary cuts

Another lengthy process was finding the right distributor to carry the product. Through



Superior Grocers now offers Nuestro Rancho brand meats in 31 stores in the Los Angeles area.

market research, Gremmert says of the three major distributors in America they were considering, Harvest Meat Co. Inc. was their final choice.

The feeling was mutual. Gremmert says, "Harvest Meat saw the potential for some of their customers right away and decided they wanted to work with us."

Harvest Meat has large distribution operations in nine U.S. markets, so the next decision was which grocery store group would offer the Nuestro Rancho brand meats. "Harvest Meat began in earnest looking for just the right combination of location, retail pricing and distribution ease," Gremmert says. After testing in three different store groups, they chose Superior Grocers, which is now selling Nuestro Rancho in 31 stores in the Los Angeles area.

The product is sold in a service case, which means the customer asks for a specific amount of each cut. Gremmert says, "The service case is the one that sells all the volume in the Hispanic stores. Hispanic shoppers prefer to buy from a butcher, and they would rather get the exact amount they need packaged to order."

Also, the only cuts offered under the Nuestro Rancho brand are from the round and chuck. Huffhines explains, "These are the type of beef cuts Hispanic community members prefer." He adds, "This is a fantastic complement to those food service accounts that prefer exclusively steak cuts from the rib and loin."

Gremmert says, "That is the beauty of the whole thing, really. The main purpose of this brand was a carcass balance and utilization idea." He explains that many cattle from the National Beef plant in Dodge City, Kan., were grading Select and selling in commodity boxes with no premiums. "Our goal is to have every Hereford pound produced sold as a branded product. We wanted to have a home for the end cuts at a premium and that's what Nuestro Rancho contributes to our program."

Although it's too early to say conclusively, demand looks good for the product in these first few stores. Judging by the initial orders from the stores, Gremmert says, consumers are buying three to four times more than the average retail customer in other demographic areas. But, Gremmert and the CHB LLC staff are not making hasty decisions about approaching more retailers.

The next sell

The next step, Gremmert says, is to be sure CHB suppliers will have enough product to serve Superior Grocers. "What we're doing now is closely watching the numbers," Gremmert says. "We have to be able to service these customers year round, covering flow business and advertised specials."

But, when the CHB LLC staff thinks it's time, Harvest Meat is already on board. "The management

and leadership of Harvest Meat are currently talking to me about two other opportunities that exist in the West to go ahead and make a sale when we're ready," Gremmert says.

Mike Louderback, National Beef Packing Co. LLC brand manager, says he too is excited about the potential for the brand. "I feel it's something that will really take off and grow." He adds that a lot of growth will depend on the cattle supply. And, since National Beef is in the process of being purchased by JBS Group, opportunities for CHB and Nuestro Rancho may change when the regulatory process is complete and the companies combine forces.

These new opportunities are not lost on Gremmert. He says, "What we are really hoping for is that when the rest of the JBS plants are allied with the National Beef plants, we'll get a chance to produce our products in more facilities with wide distribution possibilities." He continues, "That will dramatically increase our access to Hereford-influenced cattle throughout the U.S. and to greater production capacity for CHB and Nuestro Rancho."

For the Hereford producer, more outlets for beef are something to be excited about, and Nuestro Rancho's success will have an effect on the demand for Hereford beef.



CHB LLC staff members worked hard on getting the brand's marketing tools, like these case dividers, just right in order to catch the customer's eye and provide information about the product.

Huffhines says, "We are looking forward to developing these food industry relationships, keeping these customers happy and sustainable in order to drive back more value through the chain and ultimately to your farm or ranch." **HW**

Editor's Note: For more information on Harvest Meat, log on to www.harvestmeat.com. For more on Superior Grocers, check out www.superiorgrocers.com.