



The CHB logo "rides" on FoodPRO trucks. FoodPRO is the largest independent foodservice distributor in the Mid-Atlantic region and has proudly sold CHB for three years.

CHB[®] Foodservice Charges Forward

Greater carcass utilization contributes to growth of program.

by **Teresa Oe**

Certified Hereford Beef's (CHB[®]) presence in the foodservice sector is growing significantly with sales up more than 1.3 million lb. from last year. A greater variety of product is served in more restaurants and institutions than ever before, increasing profit, brand value and carcass utilization for the overall CHB program.

Twenty-six distributors from the Eastern and Midwestern states have made CHB their top line of beef. Mick Welch, CHB LLC food service director, is actively seeking new distributors, as well as working with existing

accounts to grow sales through greater carcass utilization. He has extended a challenge to foodservice distributors to look beyond the popular middle meats to find more ways to market the CHB brand.

"Foodservice has always been a huge market for the expensive middle meats — tenderloins, strip loins and ribeyes," Welch explains. "But this only accounts for 25-30% of the animal. With the tightening economy, now is the time for distributors to grow their CHB line with cuts from other parts of the animal.

This is a way for them to meet customers' demands for more economical meals and also to build the brand."

Since commodity beef programs with lower price points sometimes get distributors' business on lesser-value meat cuts, CHB LLC has also made a challenge to its packer partners. "We've asked National Beef and Greater Omaha to sharpen their pencils to make lower-end CHB meats more affordable to our distributors," Welch says.

The two licensed CHB packers have been featuring different cuts each month at promotional prices. This incentive has allowed distributors to sell more of the CHB carcass by offering additional premium, branded products at prices closer to those of commodity meats.

Welch, in turn, is working with distributors on strategy for effectively marketing a variety of products. "I talk to sales and management staff about how they can use individual pieces of an animal to market to a more diversified buying public," he says. "Reinhart, one of our new distributors, has set a great example of how to balance end cut and middle meat orders for greater carcass utilization and high sales."

The Reinhart story

The Omaha, Neb., division of Reinhart FoodService (RFS Omaha) became a CHB distributor in July 2007. Within

a year's time, the company sold more than 700,000 lb. to its customer base of restaurants, healthcare facilities and schools. It switched its entire meat program from commodity to CHB, with the exception of one ungraded line offered strictly for price buyers. In the year ahead, the company plans to sell even more CHB variations in the form of value-added products like precooked prime rib and roasts.

From the start, the successful CHB campaign has been a team effort, says Jeff Oetken, Reinhart Omaha director of sales. "CHB has worked for us not only because it's a high-quality, consistent product, but also because of our partnership with CHB LLC and the AHA (American Hereford Association). They have worked very, very hard to help us sell product."

When Reinhart made its transition to Hereford beef, CHB LLC staff led a two-day meeting with the company's employees, introducing the program and a sales campaign that strives for annual sales of 2 million lb. across the heartland.

The new CHB sales consultants learned about the history of the program and Hereford cattle, the significance of multiple cuts and ways to sell them, and the overall program benefits to distributors and their customers.

They were also "geared up" with new sales incentives. "We developed a meat-selling club," Oetken says. "It's a tiered reward system with bronze, silver and gold levels. If an employee sells enough pounds to reach one of the levels in a certain product area, they receive prizes like a box of CHB steaks, a shirt, jacket or briefcase."

As the pounds sold increase, so too do the rewards. CHB LLC gladly donates prizes that feature CHB imagery. "When people are out there talking about the product, we want them to have a jacket or something else with the CHB logo on it," Welch says.

CHB LLC and the AHA also sponsored a Reinhart sales contest, providing a trip to the National Western Stock Show for the two consultants who sold the most CHB from July 2007 to the end of the year. Todd Schimmer and Glenn Pudenz earned the honors with 36,815 lb. and 24,923 lb., respectively. They joined Hereford staff and breeders in Denver this January for the livestock exposition that is home to the national Hereford show and sale.

Beyond CHB LLC's early contributions, Oetken appreciates the staff's continual involvement in advancing the program. "They go on sales calls with us, come to meetings and provide instruction on new products," he says. "They're always asking what they can do to help us increase CHB sales."

Gaining restaurant business: the process

One of Mick Welch's long-term goals as Certified Hereford Beef (CHB[®]) LLC food service director is to grow the program to the point that all American Hereford Association members have the opportunity to purchase a Hereford steak at a nearby restaurant. This, he explains, will not be an easy or quick task due to the nature of the restaurant business but well worthwhile in the end.

The first task in converting a restaurant, he says, is convincing management that CHB is a better product than what is currently being sold. If they believe this to be true and are interested in making the switch, then CHB LLC staff must locate a distributor in near proximity that sells or is willing to sell CHB to the restaurant.

CHB LLC distributors have exclusive rights in their respective territories to add value and loyalty to the program, so convincing a restaurant to switch to CHB often also means convincing that restaurant to switch to a new beef distributor. In addition to exclusivity conditions, distributors must meet tonnage, training, aging and credit requirements to be able to sell the product.

Once an eligible distributor is located and accepted, the restaurant is asked to become licensed, committing it to using only beef from the CHB program with rights to utilize the logo on menus and advertisements. Restaurants often want more flexibility and are hesitant to commit to one program. In this case, they can sell CHB, but it's not branded as so among the general public.

The process is extremely complex, Welch concludes, and requires great patience. He encourages Hereford breeders to help with the first step simply by visiting local restaurants. "Talk to management about how good the product is," he says. "And then tell me you did. I will follow up and send them information about the program."

Welch can be reached at (816) 842-3758 or mwelch@herefordbeef.org. **HW**





Two RFS Omaha sales consultants won a trip to the 2008 National Western Stock Show in Denver for selling the most pounds of CHB from July through December 2007. Pictured at the event (l to r) are Mick Welch, CHB LLC foods service director; Doug Cooper, RFS Omaha CHB specialist; Jeff Oetken, RFS Omaha director of sales; Glenn Pudenz and Todd Schimmer, trip winners; and Craig Huffhines, AHA executive vice president.



How to find restaurants serving CHB

The best way to find restaurants serving CHB is to ask local distributors for a list of restaurants they supply. Restaurant ownership, management and product lines constantly change; therefore, CHB LLC does not maintain a complete listing of participating restaurants. All distributors' contact information is available and searchable by state at www.herefordbeef.net on the "Where to Buy — Locations Near You" page. **HW**

Welch, of course, is most closely involved and works directly with Doug Cooper, Reinhart Omaha's CHB specialist, to provide up-to-date program information. Cooper leads monthly trainings with the Reinhart sales team and makes calls himself on end users. Welch refers to Cooper as a center-of-the-plate specialist and says this position is a most important ingredient in meat sales. The idea, he explains, is to have one person on the distributor staff focused solely on selling CHB as a main dish.

Cooper has found that consistency is his best sales ammunition in this regard, as many restaurants are fed up with size and quality inconsistencies of other beef programs. "CHB is different," he says. "It's much more consistent. They know what's in the box we send, and they're getting more compliments about the beef they're serving. Because of this, we're seeing our business increase with more repeat customers, as well as new accounts."

More satisfied distributors

Tim Martin is vice president of A.J. Martin Inc., a center-of-the-plate supplier in Rhode Island and the surrounding area. He echoes Cooper's sentiment on the reliability of the CHB program. "We're almost selling it as insurance,"

he says. "It's tender, juicy and flavorful week after week."

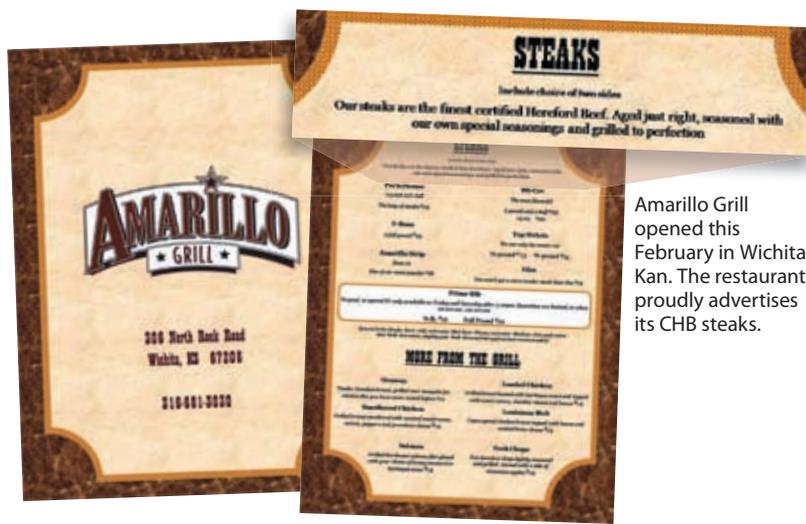
Martin has been with the program since 2006, and his company's CHB sales now reach more than 20,000 lb. per week during busy summer months. "Once the customers get on the program, they don't want to go back to anything else," he says.

To convince new restaurants to switch to CHB, distributors say a blind taste test, or "cutting" as it's called by industry professionals, is what seals the deal. "CHB wins cutting after cutting," says Kevin McAteer, vice president of sales for FoodPRO, a wholesale supplier based in Frederick, Md. "I've been to probably 50 cuttings, and CHB has never lost — tied just a couple times and won the rest."

FoodPRO sold only CHB middle meats in the past but is now stepping up its line to include rounds and ground beef. McAteer says sales will hit a half million pounds this fiscal year, and double that amount is expected in 2008-2009 with new product offerings.

Restaurant buy-in

Restaurant buy-in is also an important component of foodservice success. Alan Bundy, owner of the new Amarillo Grill, Wichita, Kan., is one example of a committed CHB salesman at the restaurant level.



Amarillo Grill opened this February in Wichita, Kan. The restaurant proudly advertises its CHB steaks.

Initially, it was a relationship with Welch that caused Bundy to look to CHB for his restaurant's beef needs. "I've known Mick Welch for years and trust the man very much. I wanted to work with him," Bundy says. "I then came to realize that CHB is the best of the branded programs out there. It's genetic-based and credible."

Comments from the restaurant's customers have solidified Bundy's CHB choice. "Now that was a good steak" is what he hears time after time. "And that's exactly what we're after," Bundy says.

The Amarillo Grill receives its product from Springfield Grocer Co., Springfield, Mo., and Indian Hills Meat and Poultry, Wichita. Both are new distributors, having joined the program in 2007-2008.

A look ahead

Welch asserts that CHB's foodservice program will continue to charge forward in the years ahead. "We've only begun to scratch the surface of the industry," he says. "The growth potential is unimaginable." Developing accounts in new market areas, like the Western states, is one of his top priorities, as is continual advancement in carcass utilization among all distributors. **HW**

Editor's Note: For more information about Amarillo Grill or directions to the restaurant, call (316) 681-3030.



CHB foodservice distributors are trained thoroughly on the history of the program, the attributes of Hereford cattle and the amount of product available (carcass utilization). Mick Welch, CHB LLC food service director, leads the trainings. He is pictured addressing a team of sales consultants.