

Tune in to Prime Time — Featuring **BEEF**

Demand for high quality beef is on the rise and Certified Hereford Beef® is answering the call.

by Kayla Jennings



The hustle and the bustle of springtime activities caught up — again. Practice for the kids before school, baseball games for the kids after school and exhausted parents left minimal time for preparing a family meal. During the week, ground beef came to the rescue as a convenient ingredient to put those hunger pangs at ease.

Thankfully, the weekend is finally here, and with it brings cause for celebration, not only for making it through another crazy week but also for landing a new job — off to get the best steak in town. The aroma of the steakhouse and the sight of perfectly prepared ribeyes still sizzling from the grill get the stomach growling and the mouth watering. Yes, this is the perfect dinner for a big celebration.

Beef has a unique position in the marketplace as a convenient protein for casual meals at home as well as for elaborate dining experiences. Bill Thoni, vice president of cattle procurement for Cargill Protein, puts it simply, “No other protein is as versatile as beef.” At the 2019 National Cattlemen’s Beef Association Conference, Thoni and other panelists shared how this versatility makes beef the natural protein choice for many, but as the food industry continues to evolve, consumers are demanding even more bang for their buck. While this topic may seem most relevant to the packing and food service industries, it affects all parties involved.

“What [consumers] need and what they are looking for is going to touch us all from the producer side, the cow-calf side, the feedyard side and then through the packing industry,” Thoni stresses.

Consumer-driven airwaves

Collectively, American consumers want the best product they can get for the fairest price. However, industry leaders are actively researching exactly what consumers perceive to be “the best.” Is the best the cheapest? Is the best the highest quality grade? Is the best unconventionally raised or conventionally raised, or is it the option with the best story behind it?

To better answer those key questions, Cargill researchers interviewed approximately 7,000 consumers from the U.S. and Canada. The research yielded valuable key insights on what the primary household shopper prioritizes at the meat counter.

“From the consumer side, that appearance in that counter is huge,” Thoni says. To consumers, the visual appeal of the product including color, freshness and quality weigh heavily in their purchasing motives. This research does not go unsupported, as many studies have returned similar results.

A University of Illinois study revealed color, price, visible fat and cut were the most important factors in purchasing beef. Tenderness, flavor and juiciness rose to the top regarding a satisfactory eating experience. In a similar study at Texas Tech University, participants ranked the following purchasing motivators from

most important to least: flavor, tenderness, juiciness, price, product consistency, nutritional value, ease of preparation, natural and organic.

It is clear consumers desire enhanced quality, and Thoni feels strongly the cattle industry is fulfilling this need. “The quality of our cattle from a standpoint of grade today is as good as it has ever been in its career,” he says. “The quality of our cattle is outstanding.”

In fact, United States Department of Agriculture (USDA) reports indicate some weeks cattle are grading well over 75 percent Prime and Choice. Some areas of the industry are reaching 7 to 10 percent Prime — a big increase from the 1 to 2 percent 20 years ago. Thoni applauds the industry

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“There is no doubt the quality of the products we are selling, whether it be in international markets or in the U.S., is extremely, extremely high,”

Thoni explains. This incredible feat for the industry is important because increased flavor and tenderness brings customers in to buy more beef products.

Another portion of the Cargill study found USDA quality grades stood among the top seven largest points of interest to consumers. Even with the draw and demand for labels like “USDA Certified,” “domestic products,” “no artificial preservatives” and “no added hormones,” Thoni notes, “No doubt price becomes a priority when consumers are purchasing our products.”

Although industry trends such as organic or traceability still garner attention, the Cargill study revealed price was the second priority behind the appearance of the product in the meat case. With that in mind, Thoni recommends the industry cut production costs as much as possible on higher quality or niche products to truly meet consumer demand. Making strides in informing the public on where beef comes from is one place Thoni points out as a start. At the end of the day, origin of the product was the third highest priority for consumers, so sharing the beef story is extremely important to customers.

Answering the call

In an effort to meet demand, *Certified Hereford Beef* quality standards were upgraded in the last year, and the *Certified Hereford Beef* team has made strides in portraying the story behind the product



The appearance of beef products in the meat case speaks volumes to consumers making decisions on their protein.

to give consumers a better idea of where their food comes from. These added attributes have paid dividends for cattle producers, and food service companies, like US Foods® Inc., have reaped the benefits as well.

Vice President of Merchandising and Marketing at US Foods Texhoma, Brent Wilson, has seen firsthand the value in product quality and differentiation when it comes to beef. With more than 20 years of

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Key insights about beef

1 Beef is unique

Beef does double-duty: quick and easy enough for everyday eating, but special enough for celebrations. No other protein is as versatile as beef.

3 Protein origin is relevant

High Protein and Product of USA/Canada are important to a majority of beef consumers in respective countries. These are powerful messages that are currently underleveraged on beef packaging.

2 Appearance matters

Appearance and color are the most important factors when buying a package of beef, because that is how consumers judge freshness. Price comes second. Retailers who focus on conveying the freshness of their beef can alleviate some consumer concerns with price.

4 Unconventional = Quality

Demand for beef with unconventional claims is high (which is driving growth), but high prices keep the market small. How can we capture the growth in unconventional beef while working toward large-scale production that reduces the price?

Fresh appearance is critical at shelf

Freshness



Top priority is getting the freshest meat
9 in 10 said appearance/color is important

Price



Followed by a good price (total and per pound)
8 in 10 said price is important (same percent for total price and price per pound)

USA/Grade



And assurance of quality
8 in 10: USDA grade
7 in 10: Product of USA



Implication
While price is important to beef consumers, freshness is the most important factor when buying beef.

For retailers, conveying the freshness and quality of their beef — as well as value — is key to driving overall shopper satisfaction.



experience in roles from local and direct sales to managing merchandising and marketing functions, Wilson knows the importance of finding a product that offers a competitive edge for foodservice and retail businesses.

He notes each segment of the industry US Foods serves — government, healthcare, national chains, fast-food restaurants or independent restaurant operators — has different needs, but at the center of all their needs is a consistent, high-quality product like *Certified Hereford Beef*. While US Foods serves a variety of clients, the company's strategy is focused on supporting the needs of the independent or independently owned restaurant.

"Independent restaurant customers are looking for product that's consistent in terms of quality, in terms of the dining experience itself, and they're also looking for product that makes it easier for somewhat unskilled labor to produce and put on the plate," Wilson explains. "I would say *Certified Hereford Beef* certainly helps in that venture. They know that the product will deliver a consistent dining experience, and it's a consistently better experience than ungraded, Choice or Select-type products."

In his experience, the vast majority of US Foods customers do recognize the value in selling an upper-two-thirds program. Switching to an upper-two-thirds beef program has created an upward trend in all business facets — including a reduction in bad dining experiences, which translates into return customers, higher margins and higher waitstaff tips.

In fact, one of Wilson's favorite success stories is a North Texas client who has increased his restaurant sales by 20 percent since adopting *Certified Hereford Beef*. "He naturally gravitated toward this opportunity and he jumped in head over heels," Wilson recalls. "In the process of doing this and helping him grow his business, he's given us more business. That single venture has been very productive for US Foods. I attribute all of that to the relationship we have built with *Certified Hereford Beef*."

Wilson predicts more success stories are in store for US Foods since its inclusion of the brand last summer. To him three standout components of the program in meeting market demand are the 10 carcass specifications, the differentiation in consistent quality and the exclusivity of the product.

"I feel the Hereford program offers that uniqueness, and it offers something different in terms of marketing, too," Wilson compliments. "The product speaks for itself."

Behind every product is a story

The *Certified Hereford Beef* team works tirelessly in developing a market strategy for not only food service distributors but also cattle producers, restaurants and consumers. *Certified Hereford Beef* Director of Marketing and Communications Kaylen Alexander notes consumer outreach and sharing stories of Hereford breeders is of utmost importance to a successful marketing plan.

"A big focus for *Certified Hereford Beef* is education," she explains. "A lot of what we do is educating the consumer, food service distributors and retailers not only about the *Certified Hereford Beef* brand but about the beef industry in general. Education goes hand in hand with marketing."

Digital communication is a primary avenue used to reach consumers, particularly for sharing recipes and other educational content. Alexander points to an interactive beef cuts library housed on *Certified Hereford Beef's* website, where visitors can view names of cuts, the part of the animal the cuts come from and how they are best prepared.

For *Certified Hereford Beef*, it is extremely important people know what they are purchasing when they go to the grocery store or to a restaurant. One of the ways Alexander has aided in this goal is by telling the story of Hereford breeders.

"Consumers want a story, and they want to feel good about the meat they are buying," she explains. "They want to have that power when they are purchasing. A big part of the *Certified Hereford Beef* brand is the story behind the brand."

The *Certified Hereford Beef* team capitalizes on the brand being owned by the 7,000 farmers and ranchers of the American Hereford Association. This uniqueness allows consumers to directly support America's

farmers and ranchers with their purchase. Through farm tours for industry partners, customized marketing materials featuring Hereford breeders in regional areas and even meet-and-greets with farmers and ranchers in grocery stores, *Certified Hereford Beef* is sharing Hereford heritage with consumers across the country.

As another week begins, filled with baseball, school activities, celebrations and whatever else life has in store, families are looking for a go-to product that can live up to their demands. The versatility, consistent quality, and story of the beef industry are undoubtedly leading them to the meat counter to pick up a cut suitable for their next meal. Due to the diligence of Hereford breeders across the country, shoppers are not reaching for just any beef product to put in their shopping basket, but one with a reputable *Certified Hereford Beef* logo. **HW**



Hereford breeders across the country provide *Certified Hereford Beef* the opportunity to tell the story of their heritage and livelihood.