



Opportunities and Challenges for Branded Meat Programs at Food Service Retail and Processing

Packer Perspective

- Packers, like retail, food service and further processors brand their product to try and maximize **consistency with** and **value for** their product

Attributes

Functional

Examples of functional attributes - grade, age of animal, aging, trim specifications, carcass size, box size, market support

- Affects tenderness, juiciness of flavor of finished product
- Contribute to financial performance
- Ensures consistency (third party verification)

Emotional

Examples of Emotional attributes – breed specific, humanely produced, perceived brand equity, health claims, Natural/Organic beef

- Hard to measure
- Influenced by individual perception
- Because emotional attributes are a moving target quality based brands should not be based on emotion

Quality Based Brands

- Developed to ensure quality first and foremost and to remove the “commodity beef” tag associated with non branded beef
- Commodity beef has only one quality attribute attached to it and that is the grade
- As you know quality is comprised of several functional attributes that contribute to the tenderness, juiciness and flavor of the finished product
- Quality based brands deliver added value and integrity to the customer, and helps secure market share and loyalty for the packer
- Theoretically quality based brands will add to the bottom line of all parties involved

Packer Opportunities

- Develop quality based or Certified Beef Brands with key partners in food service arena, retail and further processors
- Customer loyalty
- Consumer loyalty
- Premium pricing
- Add value and integrity to our beef business

- Increase consistency
- Differentiation/exclusivity to increase market share

Challenges

- Depending on type and specifics of brand, securing the proper type and volume of cattle can be challenging at certain times of the year
- Keeping costs in line (cattle costs, production costs, packaging costs, etc)
- Many brands have certain protocols to follow such as barn segregation, cooler segregation, product must be first run of the day (ie: organic because of strictness of program)
- Line change-over
- Small box programs (extra sundry inventories)
- Labeling requirements on bags/boxes
- Age verified cattle - Japan
- Third party verification for Certified programs - marbling score, breed verification (documentation to verify) are a couple of examples