



## *Ready, set, AIM!*

Consumers see at least 40 brands of beef on menus and especially in retail meat cases, although these actually represent just a few beef product targets. Most of the brands make claims on taste and tenderness, sometimes associated with a specific breed of cattle, sometimes with certain cattle management practices.

Some of them make no claim, but just being branded implies somebody believes the product will satisfy some of those who try it. Maybe it's just a reference point for recognizing the cheapest product every time.

For all of the brands, and whatever the consumer comes to expect, the key to success is satisfying customers. Some brands have less chance than others of pleasing most consumers most of the time, but by competing in the market, they connect with a segment of consumers who prefer just the niche they fill.

Those who still see branded beef as a curiosity rather than a dominant force in the market may consider every brand as no more than filling a niche. While that's debatable in itself, clearly the sales volume of billions rather than millions of pounds says some branded beef satisfies mainstream beef consumers.

Nowhere is that more true than in the case of brands that aim to supply high quality grade beef. Most major packers offer their own premium branded line, along with the world's leading multi-packer, breed-based brand owned by producers.

Supply and demand govern premiums for all the brands. Most of them have no problem finding supply because they set the marbling bar at less than a modest degree, or low Choice grade. Consequently, premiums for cattle that meet these branded targets are typically less than modest. Brands that are essentially the same as commodity beef except for the label do not generate extra consumer dollars for the industry and consequently they do not generate extra payments to producers.

Other brands have potential to pay premiums for the right cattle, but struggle to find enough supply because so few cattle meet the requirements; this can be a problem when limited supply prevents mainstream demand from developing. Some management- and source-controlled brands have enough demand to pay consistent and significant premiums, but only to a relatively small number of suppliers because they're limited to a single ranch, region or exotic breed.

If you believe your cattle and management program fit the needs of a niche brand, check out the beef alliance listings in a recent beef trade magazine or search for the brand on the Internet. Find out what the potential rewards may be, judge the degree of difficulty you will encounter in hitting the target, and judge how likely it is that the target will remain in place after you change genetics and management to hit it.

If you are interested in producing higher quality beef for the mainstream consumer, follow the same course of investigation, and study the public value-based marketing grids offered by all the major packers. Discuss the target with your buyers and feeding partners and make plans to capture more premiums while eliminating discounts.

Most of the money that branded beef programs return to producers is not won by signing on some dotted line or giving up independence. Most of that money is won by seeing it and taking action to orient herd and management to corral it.

Producing for a brand should be a long-term commitment that includes focused genetics and management in cooperation with other segments in the beef supply chain.

At a glance, some brands may appear to affect only a small, elite portion of your herd. But when everything you do is consistent with the supply development goals of your target brand, you will see a greater and greater share of your production achieve that elite acceptance level.

As long as you maintain at least equal focus on cow-calf efficiency traits, the premiums for hitting a brand target are all profit.

In the next edition of *Black Ink*, we'll look at how to select a feeding partner. Questions? Call toll-free at 877-241-0717.

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