



Improved Local Meats Marketing

A Guide to Marketing Channel Selection

Matt LeRoux, Marketing Specialist



Cornell University
Cooperative Extension

SCNYAG
South Central New York Agriculture Team



Matt LeRoux



**Cooperative
Extension**
Tompkins County



- Marketing Specialist with CCE, Tompkins County.
- Recent Master's in Ag/Food Marketing from Cornell.
- Worked for 5 years for the New England Livestock Alliance & Heritage Breeds Conservancy.
- Started 2 brands of Natural & Grass-fed beef.

Wholesale

Selling to a buyer who
is not the end user.

Restaurant

Grocery/Retail

Distributor

Auction/Commodity

Institution/Food Service

Direct

Selling directly to the
end user.

Farmers' Market

CSA/Buying Club

Freezer Trade

Farm Stand

Web

Things to consider when choosing marketing channels:

Do you sell meat or animals?

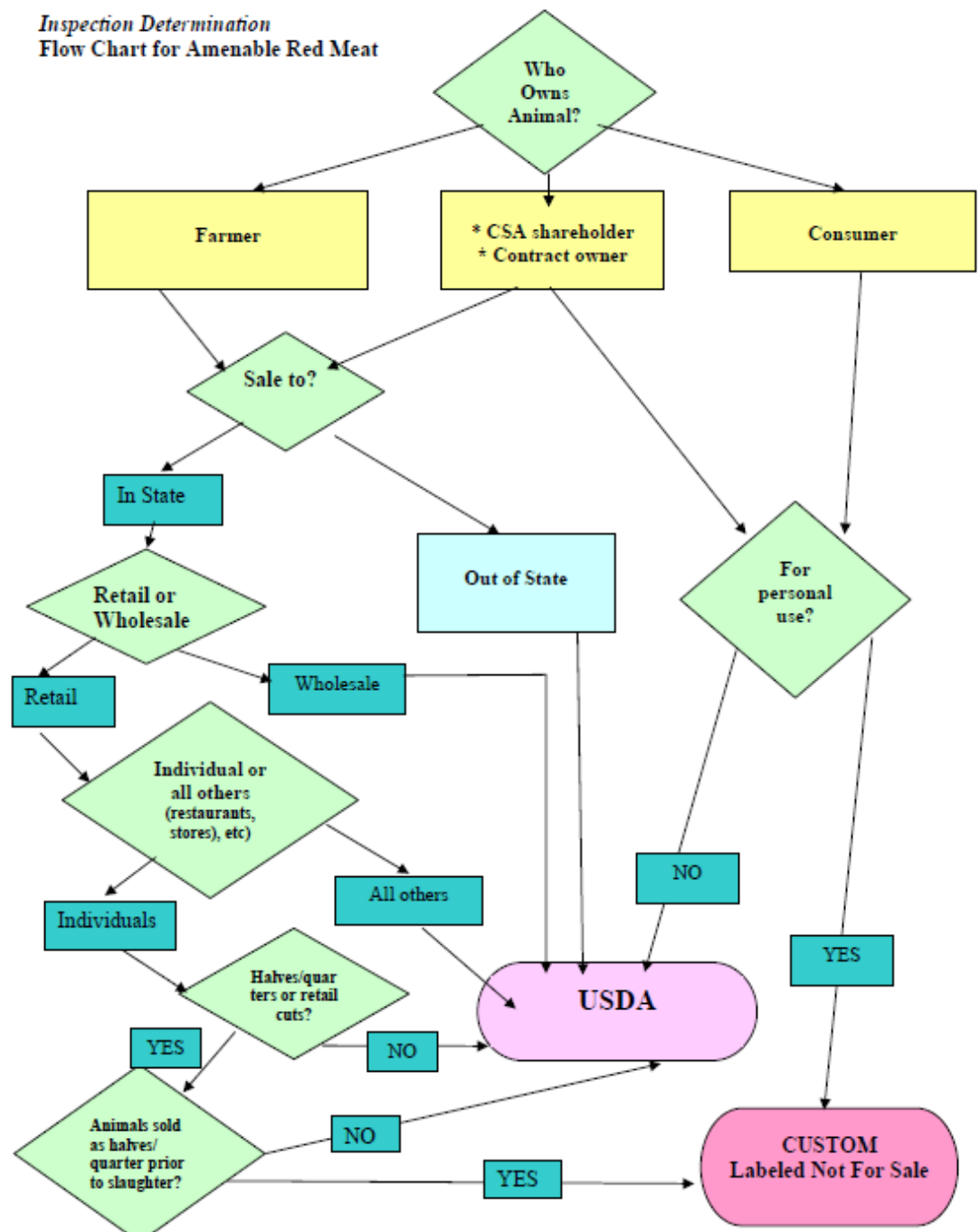
What is your production like?

Location & Local Population

What do your customers want?

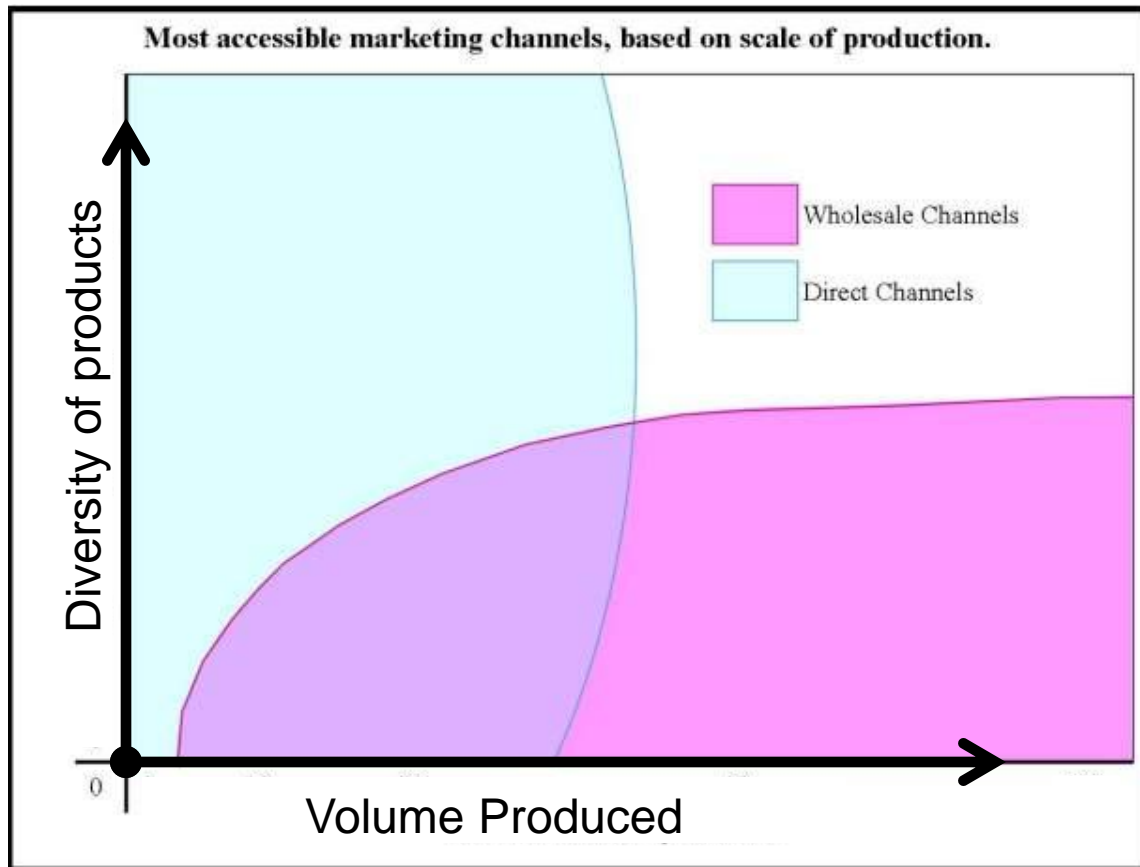
Do you
sell meat
or
animals?

Inspection Determination
Flow Chart for Amenable Red Meat

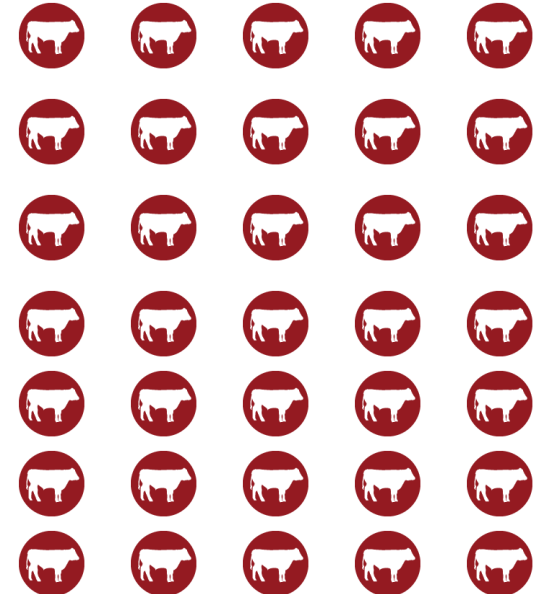


What is your production like?

In Scale & Diversity



VS.



What is your production like?

In Specialization

The more specialized your product, the larger a market area you may need.

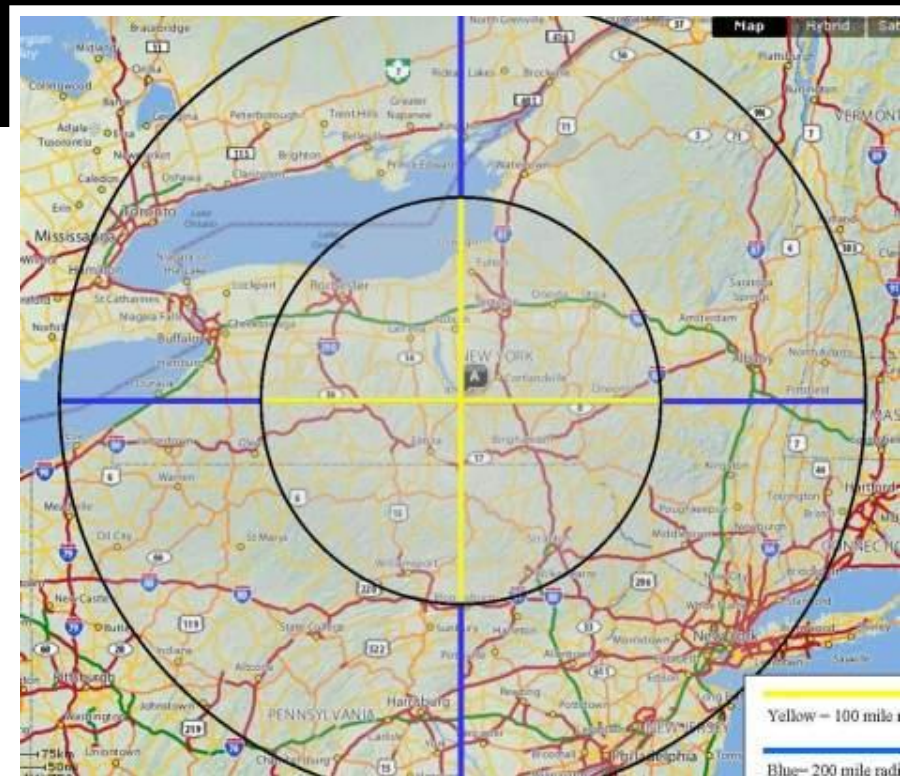
- How far are they willing to go to get it?
- How far are you willing to go to sell it?



Location & Local Population

What kind of customers are around you?

- How many of them are there?
- What is your visibility?

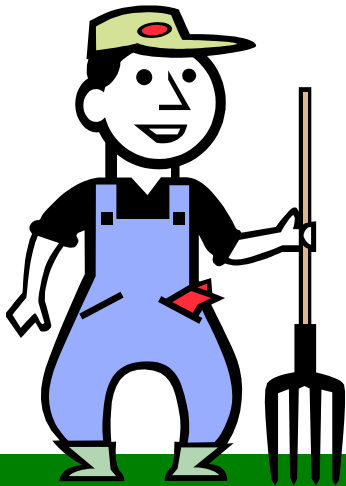


But, it costs \$300 per day to
sell there.

...and its only 1
hour per week...

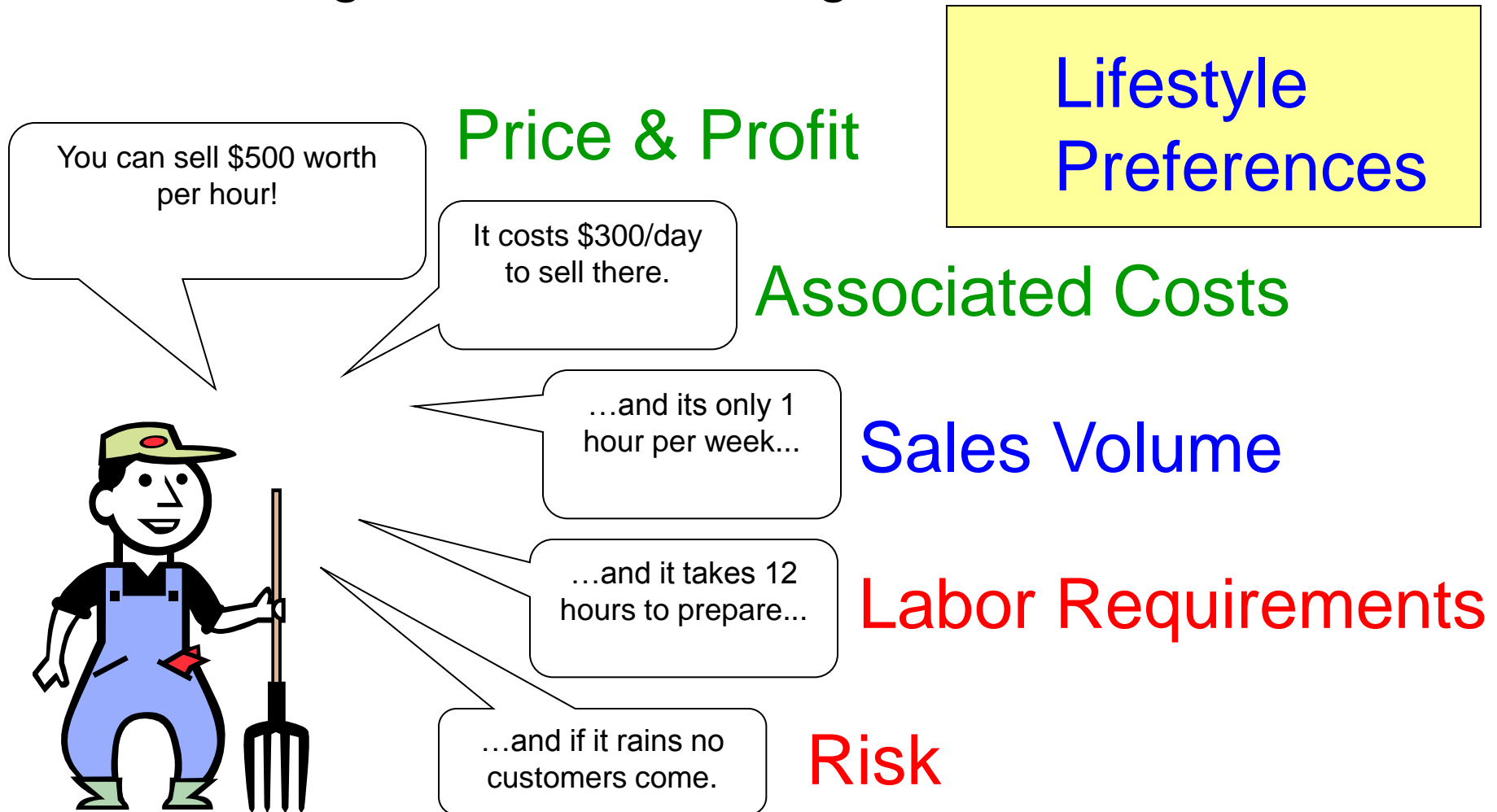
...and it takes 12
hours to prepare...

...and if it rains no
customers come.



How do you evaluate a market opportunity?

Six interacting factors impact the “performance” of a marketing channel including:

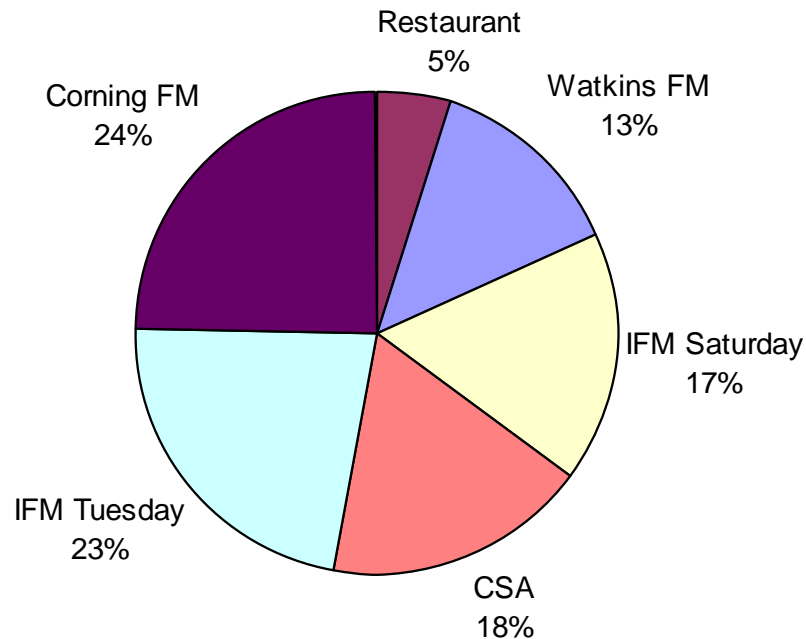


What are the important factors meat & livestock marketing?

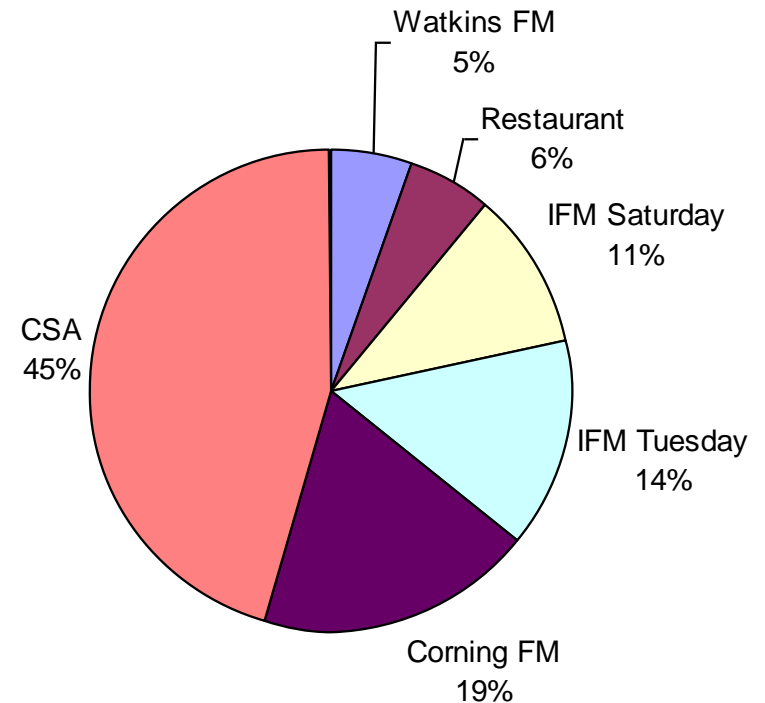
- Price
- Labor Required (include inventory mgmt.)
- Risk (includes inventory mgmt.)
- Sales Volume (in a given period).
- Sells whole carcass? % sold?
- Associated costs.

Simple Comparison of Labor & Sales

Total Labor Hours



Gross Sales



CSA: 18% of weekly labor, 45% of weekly gross sales.

Watkins Glen FM: 13% of weekly labor, 5% of weekly gross sales.

The Moving Target

- Which channel is best?
- One channel does well in one way, poorly in another so how do you know?



Risks & Preferences:

Labor requirements

Price risk

Customer turn-out

Competition

Buyer back-out

Processor is booked

Dark Cutter

other discounts

**Ability to sell the
whole carcass**

Customer interaction

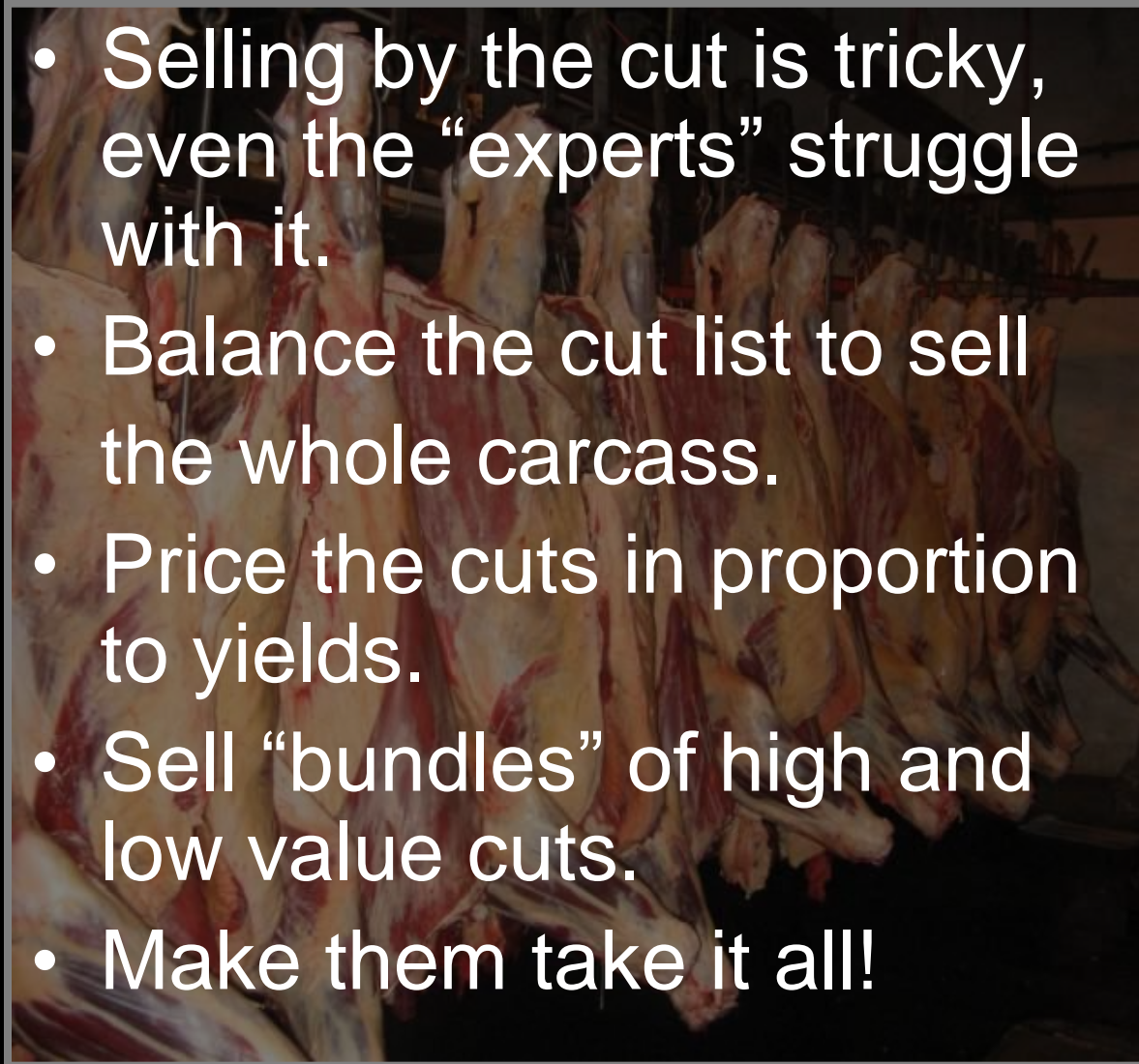
Time on the farm

Setting up displays



Managing the Carcass

- Selling by the cut is tricky, even the “experts” struggle with it.
- Balance the cut list to sell the whole carcass.
- Price the cuts in proportion to yields.
- Sell “bundles” of high and low value cuts.
- Make them take it all!



Rank & Compare Opportunities for Performance Factors

	Sales Volume	Labor Hours	Profit Margin	Financial Risk	Lifestyle	Final Scores	
	Rank	Rank	Rank	Rank	Rank	Unweighted	Weighted
IFM Tuesday	4.9	5.4	3.9	2.0	1.0	3.4	3.2
IFM Saturday	5.4	4.0	4.1	2.0	1.0	3.3	3.1
Corning FM	4.3	6.0	3.4	2.0	1.0	3.4	3.2
Watkins FM	6.0	3.1	6.0	2.0	1.0	3.6	3.5
CSA	1.0	4.2	1.0	1.0	1.0	1.6	1.6
Restaurant	6.0	1.0	2.4	2.0	1.0	2.5	2.0

Based on 5 factors and farmer chosen weights.

Practical Application: Marketing Decisions

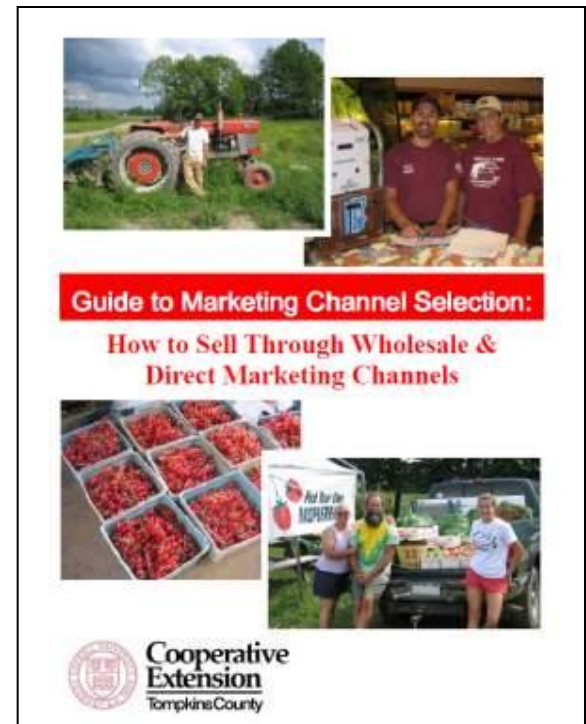
- Considering a marketing change, what should it be?
- Reduce participation in weakest performing channel.
- Increase participation in best performing channel.
- Strategic channel combination to maximize sales and reduce risks.

Marketing Channel Assessment

- Identify your goals and lifestyle preferences.
- Keep marketing cost & returns records, if only for “snapshot” periods.
- Value your own time to present an accurate picture of marketing costs.
- Rank & compare opportunities to maximize profits.
- Combine channels to max sales & reduce risks.

Publications

- Smart Marketing Sep. & Oct. 2010, Oct. 2012
- <http://marketingpwt.dyson.cornell.edu/publications.html#smart>
- Guide to Marketing Channels
<http://ccetompkins.org/sites/all/files/factsheets/factsheet-1317.pdf>



Contact information:

Matthew LeRoux

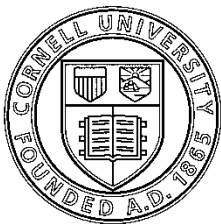
Agricultural Marketing Specialist

Cornell Cooperative Extension Tompkins Co.

615 Willow Ave., Ithaca, NY 14850

607-272-2292

mnl28@cornell.edu



**Cooperative
Extension**
Tompkins County

Narrowing the Focus

Our farm raises *claims/product(s)* for *target customers* who *activity/demographic/behavior*.

Impacts production and marketing decisions.



Targeted Marketing Impacts:

- Pricing
- Packaging
- Marketing Channel selection
- Cut selection
- Products (bundles, cuts, etc..)
- Claims used
- Value-added product selection
- Processors used
- Advertising & Promotion- format & location

The Perfect Porcine

“Our farm raises heritage breed, pastured pork for wine connoisseurs who host gourmet dinner parties.”

Country Joe's

Natural Pork

“Our farm raises pork without antibiotics for mothers with young children who want to save money and eat well.”

\$11/lb. bacon	PRICE	\$3.50/lb. bacon
Fresh, in a display case	FORMAT & PACKAGING	Frozen in butcher paper
Spclty. Stores & frm mkts.	MARKET CHANNEL	Freezer trade & On-farm sales
By the cut, by the lb.	PRODUCTS & CUT SELECTION	½'s, family packs & by the lb.
Pâté, confit, & other charcuterie	VALUE-ADDED	Basic Sausage, smoked products
USDA-inspected	PROCESSING CHOICE	Custom or USDA
Tasting events at wine shops	PROMOTION	Flyers at family events
Website, social media, full color brochures	COMMUNICATION	Price sheet, sign by the road