

Growing Market Share in a Competitive Environment

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Australian White Suffolk Association

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- \$200 LAMBS @ \$6/kg
- \$1000 HEREFORD WEANER STEERS
- LAMB SELLING FOR THE SAME PRICE AS LOBSTER IN THE USA
- TURKEY PAYING \$800 FOR 300 KG BRITISH BREED STEERS
- VALUE OF WOOL CLIPS JUMPING \$100,000
- EU COMING IN BIG TIME TO THE CATTLE BUSINESS

What will this bloke be on about?

- The Angus experience (16 years) after 20 years with Murray Greys
- Branded product
- Marketing strategies
- USA visit last month looking at the beef industry also USA lamb situation
- Setting up a marketing strategy for a new client
- How do breeds afford Breed Development/Technical/Marketing staff?



The Angus Experience

1994 to 2010

- 20 years ago 9000 Angus were being registered annually
- In 2010, there will be 55,000 registered, one in four of all beef calves registered
- To-day Angus comprise 50% of the British and European breed bulls sold at auction
- During the past 16 years, the premium for a 400 kg Angus steer was 15 top 20 cents a kilo or \$60 to \$80/head

THE REASONS

- Performance recording
- Japanese demand for long fed (300 days) marbled beef
- Forward thinking boards
- Employment of non-traditional CEO in 1994
- New direction in marketing in 1994

What is MARKETING

- ***The influencing of attitudes to a product or service***
- Product development
- Understanding the product and market
- Recognising public demands and trends

WHO IS YOUR MARKET?

- Opinion leaders
- Agents
- Consultants
- Media
- Bull and ram buyers
- Members
- Finishers
- Lot feeders
- Processors
- Wholesalers
- Retailers
- Consumers

COMMUNICATIONS

- Is a glossy magazine that goes to members and a few others getting your message to your complete audience?
- The cheapest and most effective way of communicating with your members is by the internet.
- Once you get to the stage of having say 80% of members on the internet, is the other 20% worth worrying about?
- A good Website is critical.
- An electronic newsletter is cheap and immediate.
- Social networking (Facebook, Twitter, U-tube etc) should be kept in mind but don't jump in until other areas are working.

The Media

- ADVERTISING
- ON-FARM STORIES (testimonials)
- BREED FEATURES
- RADIO – ABC RURAL & COMMERCIAL
- TELEVISION - REGIONAL

"ANGUS"

- CAAB® - Sire: Angus
- Dam: Angus or Angus/ HFD X
- McDonald's Angus - Sire: Angus
- Dam: Angus or Angus X
- Hungry Jack's = CAAB®
- Angus Pure® - Sire: Angus
- Dam: Angus or Angus/ British X
- ✓ "ANGUS" = > 75% Genetically Angus



Angus Brands

- Certified Australian Angus Beef
- Angus Pure
- Coorong Angus Beef
- Coles Finest Angus
- Pure South Natural Angus Beef
- Glenview Angus Beef (WA)
- Rangers Valley Black Angus Beef
- Teys Certified Angus
- Grange Grainfed Angus Beef
- Gippsland Fresh
- Kimberley Red
- Beef City Black
- Prime Black
- Cape Grim

pure south
NATURAL ANGUS BEEF

RAISED WITHOUT THE USE OF
HORMONE GROWTH PROMOTANTS



coorong
angus beef



SOUTH AUSTRALIA'S FINEST



CAAB - Grain Fed, MSA 4 & 5

- Restaurants
- Retail Butchers
- Supermarkets
- Hungry Jacks/ Burger King
- Coles Sausages
- Coles Finest Sausages
- Boscastle Pies
- Four N Twenty Pies
- Roast Beef
- Corned Beef





MIGHTY ANGUS

GRAND ANGUS

INTRODUCING
PRIME ANGUS BEEF

The image features two burgers on white plates against a dark red background. The 'Mighty Angus' burger on the left is stacked with a beef patty, melted cheese, a slice of tomato, a slice of onion, and a slice of pickled cucumber. The 'Grand Angus' burger on the right is topped with a beef patty, melted cheese, a slice of tomato, a slice of onion, a slice of pickled cucumber, and a slice of lettuce. The text 'MIGHTY ANGUS' and 'GRAND ANGUS' is positioned above their respective burgers. At the bottom left, the text 'INTRODUCING PRIME ANGUS BEEF' is displayed in a bold, sans-serif font.



THE USA SITUATION

- Americans consume 300 to 500 grams of lamb per year
- 70% have never tasted lamb
- Brazilian barbecue restaurants have one lamb dish in a range of 13 meat dishes
- American consume 90 million burgers a day
- Americans consume 130,000 tonnes for lamb a year
- Almost 50% comes from Australia (30%) and New Zealand (16%)
- Middle East Australia's top lamb buyer in 2010

Feeding a family in the USA

Beef fillet (high choice)	\$40/kg
Lamb cutlets (USA)	\$40/kg
Lamb cutlets (Aust)	\$32/kg
Lamb loin chops (USA)	\$31/kg
Lamb loin chops (Aust)	\$21/kg
Lamb mince (USA)	\$13/kg
Ham	\$9.50/kg
Pork loin boneless	\$5/kg
Turkey mince	\$9/kg
Beef mince	\$4.50/kg



USA BEEF SITUATION

- Smallest beef herd in 50 years
- Smallest calf drop for 60 years
- JBS Swift feedlot exec suggested a shortage of beef and even mentioned 'rationing'



HEREFORD STRATEGY BUILDERS

- USA Herefords will register almost 70,000 calves this year, UP for two consecutive years
- The major semen companies report dramatic rises in Hereford stud and commercial semen sales
- They say sales have 'doubled over the past few years' and 'Hereford semen is our fastest growing product'
- Temperament, fertility, efficiency and hybrid vigor are some of the reasons given.

MAJOR REASON

- Major reason is there has been a genuine improvement of the Hereford in the USA driven by performance recording

Independent surveys

- The Drovers Journal survey of readers indicate 24% are now using Hereford bulls, up from 15% in 2005
- The Western Livestock Journal survey of readers indicate 20% were using Hereford bulls, up from 13% in 2008

\$30 ADVANTAGE FOR HEREFORD SIRED CALVES

- A 3 year study in the US utilized 40 Hereford and 40 Angus bulls with similar figures over 600 black cow herds.
- There was a \$30 advantage for the Hereford sired calves.
- Fertility advantage added another \$7/calf

SIMPLOT INTRODUCES HEREFORDS

- USA's second largest cow calf producer Simplot with 30,000 cows and two feedlots with 220,000 capacity were troubled by fertility, efficiency and feedlot performance in their solid coloured herd.
- Introduced Herefords and now 40% of herd has white faces
- 'The black baldy is a superior cow' said Simplot's Bronc May

INFORMATION IS NEEDED TO MARKET A PRODUCT

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- It must be factual, understandable and believable
- It's morale boosting for Australian Hereford breeders
- The white face is no longer an impediment – it's a badge of quality and efficiency

BREED ORGANISATIONS

- Don't expect your breed organization to sell your rams – breed organizations set the environment
- Be your own marketer
- Angus is fortunate to have some independent aggressive marketers as members
- How to find Osama Bin Laden?

THE FUTURE FOR BREED ORGANISATIONS

- Pfizer and Merial are into genetic description through DNA generated genomics
- 50K HD marker is now in – next will be the 770K and 800K markers
- It takes analysis of up to 4000 animals to create a panel for a breed
- Angus in USA is now producing Genomic Enhanced EPDs for growth traits to add to milk and docility
- These give higher accuracies at younger ages.
- US Hereford about to launch Genomic Enhanced EPDs

How does a breed organisation fund breed development/marketing/extension?

- Cow inventory system
- Cutting back on communication expenses (printing and postage)
- Rely more on low cost web based communications
- Generate income through other means (AngusPlus, website advertising)

Other ideas

- Only one beef breed has a full time Breed Development manager
- Only one beef breed has a full time Marketing manager
- MLA's red meat graduate program
- Southern Beef Technology System
- Tropical Beef Technology System

GM – GENETICALLY MODIFIED?

