



THE SPIRITED VIEW

Coming out of the closet

The armchair critic recognizes the team effort of beef marketing



CHRISTOPH
WEDER

Just when you think you have heard it all from me, you read this headline (above) and think "Christoph has really lost it." And there are no doubt a few people who would agree with you on that. However, let me assure you it's not the closet you're thinking of and I am not gay!! I just want to come clean and set the record straight. Our branded beef program — Prairie Heritage Beef Producers — has joined CBEE, better known as the Canadian Beef Export Federation. And yes I am now chewing on the feathers of the crow that I forced myself to swallow after two years of armchair analogies and reviews of the Canadian beef export organization's exploits.

Saying something is always easier than doing something. Being an armchair general is no different. As we all know the challenges facing the beef industry never cease and there doesn't seem to be any shortage of rhetoric. Some may still believe that the challenges are production related, however, I could not disagree more. More than ever the challenge is marketing. Marketing, not so much about trying to get people to eat more beef; but marketing in the sense of getting consumers to pay more for it and to elevate the value of our product.



PHOTOS BY CHRISTOPH WEDER

Canadian beef needs to be marketed as a premium product to those willing to pay.

For too long the North American consumer has been spoiled with readily available protein from pork and beef that is sold below the cost of production. Everyone from the farm gate forward plays and works on margins. It is all about the buy and the sell. Squeeze the guy below you and leverage the guy above you. And as long as they are getting their drop of blood there will never be incentive to raise the bar or to make the pie bigger. This is what primary agriculture gave up when we handed off the marketing of our end products to middle men and started focusing more on what we liked to do, which was production.

Well at the risk of sounding like Obama, this has got to change. To produce our product it takes on average nine months gestation, seven months to weaning, three months backgrounding and four months of finishing — that's 23 months from breeding to the BBQ. Then add to this all the overhead, feed costs and the cost of the ones that don't make it to the finish line. It's crazy. And supposedly our industry would be happy if fats get to \$95/cwt.

We need to quit trying to feed the masses and let the chickens and pigs do that. What we need to do is use beef to feed the mind and soul as a luxury item and target the markets in the world that appreciate that. Something that takes 23 months to produce should not be compared to a product that takes eight weeks (or 11 weeks if you hatch it first) to reach market.

This month marks five years since our band of merry ranchers set out to market ourselves into profitability by selling "natural beef" to the whale and tree huggers of Vancouver Island. Looking back I am glad we did not know then, what we know now; the mountain would have looked awfully high and steep. As we have grown I have learned a lot about how retail and food service across Canada markets our beef.

First the retail competition is very concentrated and falls very much under the 80:20 rule — 80 per cent of the market controlled by 20 per cent of the retailers. Their attitude for the most part simply put; own the beef for as short a time as possible, make the



Above is the chief ingredient for a recent pie consumed by the author as his project teams up with CBEE

tors; they set the trends and are the ones who have developed and up-sold brands of beef at higher prices. They realize that they will never be able to compete with the big fish on price and so must be nimble, agile and willing to try new things in order to set themselves apart in the market place. I just wish that there were more of them out there. I guess this is the challenge of selling beef in the Canadian market. We produce more than the market can bare, so forget the fact the average Canadian consumer has been trained too long in "the cheap and cheerful," we need to look beyond our borders.

Looking beyond our borders as a beef producer is easy, acting on it is totally different. It is a big world out there and it can seem very daunting when you take a look at the size and scope of the beef exporters from South America, Australia and the United States. However, if we are to grow the pie it's where we have to go. And I say "we" because there is no one else out there who will do it for us. Customers just don't show up at the door by accident. Marketing beef is about selling the product and not producing it and hoping that they will come. Even though Canadian retail is concentrated it pales in comparison to our packing sector. A packer works on margin; the buy and the sell and as long as they are making their drop of blood there is a limited incentive to do things differently.

Developing export market opportunities takes time, commitment, a unique product and money. For it to succeed you need to invest in all four. If we want our industry to change then we must be part of it rather than hoping that someone else takes the ball and runs with it.

If you recall, last fall I spent three weeks, tasting French wine, looking at wind mills and eating Swiss chocolate. We made great contacts with European beef importers and distributors and now its time to act on those leads.

On February 11th at a gala dinner at the ambassador's residence in Bern, Switzerland we will launch our Heritage Angus Beef brand. After this I will spend 10 days with my importer selling the Canadian beef advantage to high-end food service and retail throughout the country. I think of it as the "rock the Alps tour." It's an achievement that Erika and I are very proud of have reached. After that I will be meeting with Swedish and Italian importers, as well as going to Dubai to promote our brand as part of Prairie Halal Foods at the Gulf Food Show.

Our organization and ranchers have put a lot of work into getting all these projects up and rolling, however it is also happening because of the hard work of others. Those others include trade

commissioners working in the trade consulates in all these countries, and CBEE for the resources to support these marketing efforts. It has been a team effort and I think the model of how we will make the pie bigger.

So now that I have confessed and swallowed my crow, I feel I can come out of my closet without a guilty conscience. I am excited to say the least and want to thank all our partners for getting us to where we are at and of course thanks to Erika as she runs the show at home while I practice fine dining. Stay tuned...

Dr. Christoph E. Weder is a purebred Angus breeder in the Peace region of Alberta, a founding member of Prairie Heritage Beef producers and also runs SVR Ranch Consulting. For additional info check out www.spiritviewranch.com

AGE VERIFICATION made easy

CCIA TAG READER

Starting at \$495



The world's best
tag reader!

Call us at 1-800-265-3150

www.gallagher.ca

CCIA Tag Readers
Weigh Scales
Loadbars

GALLAGHER
Trusted Worldwide