

How Will Marketing Be Changed In The Future?

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Marketing in the Future

- ✓ The days of selling generic beef are gone.
 - ✓ The only generic beef left in the market is that portion that can't or won't be identified to an owner or a production system.
 - ✓ Brands, both raw and precooked are dominating the meat case.
 - ✓ The brands have a story behind them that requires certification of something.
 - ✓ **Genetics**
 - ✓ **Process**

Marketing in the Future

- ✓ The marketing plan in the future will involve producers managing their cattle to allow them to be used in the maximum number of programs possible.
- ✓ This will require producers to understand the requirements and specifications of the various programs.

Marketing in the Future

- ✓ For example:
 - ✓ Calves might be black:
 - ✓ CAB and all the other Angus based programs
 - ✓ Calves could be age validated.
 - ✓ Export market eligible
 - ✓ Calves could be produced without antibiotics or growth implants
 - ✓ Natural feeding programs
 - ✓ European Markets
 - ✓ Identified to the ranch of origin
 - ✓ Eligible for source verified product.

Marketing in the Future

- ✓ A set of calves like these would have the maximum opportunity to enter multiple programs where premiums are being paid.
- ✓ The producer will have to decide if the costs of production are justified by the premiums being offered.

Marketing in the Future

- ✓ Marketing Channels:
 - ✓ Livestock markets:
 - ✓ Consolidation in numbers of facilities will occur.
 - ✓ Approximately the same number of cattle will move through the markets in the future.
 - ✓ More special sales to accommodate the cattle for the mainstream programs.
 - ✓ Every market will need a cleanup day to run calves only qualified for the generic market.

Marketing in the Future

- ✓ Packers are making commitments to retailers and food service companies for these branded products to be delivered at a certain volume daily.
- ✓ Volume is the key to this commitment and in order to meet it, packers put pressure on feedyards to source the right cattle.

Marketing in the Future

- ✓ When feedyards make commitments to packers to supply a certain type and volume of cattle on a weekly basis, they will become even more active in direct contact with producers who can supply those cattle.
- ✓ This contact may include finding:
 - ✓ Genetics
 - ✓ Pharmaceuticals
 - ✓ Consulting help for the producer.

Marketing in the Future

- ✓ We will lose the ability to sit around the coffee shop and compare prices, because with the multiplication of programs, any two sets of calves' selling price will be an “apples and oranges” comparison.
- ✓ This could be the healthiest thing for our industry.
 - ✓ Profit rather than selling price needs to be the driver of our business.

Marketing in the Future

- ✓ Facts and data will cause the truly great cattle to bring large premiums and the cattle that have been getting by on perception to bring what they are really worth.

Marketing in the Future

- ✓ If you are going to protect your investment, you might want to find out where your calves fit.