

1 Breed, 2 Brand Opportunities

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Few would argue the favorable effects branded programs like Certified Angus Beef® (CAB®) and Certified Hereford Beef® (CHB) have had on their respective breed registries. Beyond the benefits of establishing brand recognition among consumers for their breeds, those programs have linked seedstock and commercial producers with feeders, packers, retailers and consumers, and they have helped give commercial and end-product direction to producers for breeding and management.

The greatest benefit of those programs, however, has been increased demand and prices for calves and bulls from those breeds for their commercial and seedstock suppliers, respectively.

Challenges, Opportunities

Establishment of such breed-based, industrywide, branded beef programs historically has come with substantial risk and sizeable investments of time and capital—not to mention the regulatory hurdles regarding breed claims. Among other challenges, pursuit of mass-market brand identity means cost-effective orchestration of year-round supply of cattle and product that matches growth and fluctuations in consumer demand. Consequently, breed-based, mass-market, branded beef identity is exceedingly difficult to achieve outside the established, well-funded, large, geographically diverse populations (breeds) of cattle.

Recognizing the potential value of having Limousin genetics linked to premium branded programs, the North American Limousin Foundation (NALF) has developed formal partnerships with two nationally recognized brands—Laura's Lean Beef (LLB) and Strauss Brands—over the past 21 months.

NALF's primary role in those partnerships is supply-chain development. That primarily includes identifying suppliers of Limousin-influenced calves and assisting with their procurement and associated documentation for genetic and process verification.

Ultimately, the Limousin breed's success (or failure) in helping those brands grow the pool of available supply largely falls on

the shoulders of NALF members, and it directly depends on the registration and transfer of Limousin and Lim-Flex® bulls. Registrations and transfers make NALF more efficient in locating calves that genetically qualify for the bids and price premiums those companies are offering.

If we treat commercial producers professionally and reward them for using documented Limousin genetics, they are more likely to expand their purchases of higher value Limousin bulls in the future. As well, premiums for calves attract the attention of producers who do not currently use Limousin bulls, which fuels demand further.

The NALF partnerships with LLB and Strauss Brands offer the potential to circumvent most of the demands on time, capital, and human and entrepreneurial resources required for a breed association to reap many of the benefits of national brand identity in the marketplace. What is more, with growth in demand from other entities for “natural” and “mainstream” cattle that can be used to produce nutritious, healthy, tender, affordable beef products efficiently, the sky is the limit if Limousin breeders truly commit themselves to breeding, registering, marketing and transferring superior genetics to commercial producers.

Synergies

Because of variation in the ideal calves for LLB as compared to Strauss Brands, the two programs are as synergistic as they are competitive. The LLB target consists of three-quarters (75%) or more Limousin breed composition, with emphasis on muscularity and leanness to hit generous grid premiums for Select and leaner carcasses in the Yield Grade (YG) 1 range.

Strauss Brands prefers a more intermediate proportion of Limousin breed composition—about one-half (50%)—with an equitable blend of muscularity and fleshiness to optimize retail-product yield, lean color, rib feathering and flank streaking (indicators of veal palatability).

The programs represent marketing opportunities for progeny of registered and transferred Limousin bulls that range in age and weight from five months and 400 pounds to 22 months and finished weights of 1,200 pounds.

Limousin genetics are vital to the success of each of these branded programs. The combination of production efficiency, retail-

product yield, tenderness and healthfulness are unmatched by any other breed.

Because those programs prefer slightly different amounts of Limousin breed composition and commercial producers who supply calves to those programs possess a wide assortment of cows, NALF members should celebrate the utility of diversified seedstock products in the form of bulls that span the range of fullbloods, purebreds and Lim-Flex hybrids. Clearly, all are essential to supply those programs and the mainstream market effectively.

Good For All

In addition to the per head incentives NALF receives for identifying and helping procure qualified new supplies for LLB and Strauss Brands, breeders are incentivized to register and transfer because that opens the doors of opportunity for their customers to become part of a supply chain and get rewarded for using Limousin genetics.

There is no better way to add value to the bulls you offer for sale than by adding value to the calves they will produce for your customers. Beyond registering and transferring, breeders need to work proactively with NALF and their customers to put the power of those branded programs to work for their own benefits and those of their customers and the organization.

NALF intends to dedicate staff and informational resources to help LLB and Strauss Brands expand the number of cattle to supply their programs. Frank Padilla, NALF’s director of member and commercial relations, is leading that effort and is the primary contact for additional information. Direct inquires regarding available feeder cattle and cull bulls for sale to him.

With two branded opportunities and an increasingly friendly mainstream market, NALF members now have substantial prospects to grow demand for Limousin seedstock. **LW**

NALF note: We have not forgotten last month’s promise to use this column to introduce the advertisement that your Board of Directors, staff and ad agency have developed to anchor our marketing campaign for the next three years. But we felt it was more important to spread the word about these marketing opportunities before the fall feeder-calf run. So check this space next month to learn about the new “Our topline does more ...” advertisement.