

Range Beef Cow Symposium XX

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Finding Their Market

by **Mathew Elliott**

FORT COLLINS, Colo. (Dec. 15, 2007)— Who is our customer? What do they want? Those were just two of the questions that Robbie LeValley asked before starting Colorado Homestead Ranches (CHR). Started in 1995, CHR is a partnership of six ranches that own their own U.S. Department of Agriculture (USDA) packing plant and market their natural beef, pork and lamb directly to consumers.

A speaker at the 2007 Range Beef Cow Symposium in Fort Collins, Colo., Dec. 11, LeValley was charged with explaining how CHR has been able to successfully market beef to consumers.

In 2004, CHR received a USDA Rural Development Value-added grant and contracted with Colorado State University (CSU) to conduct market research to find out what customers really wanted. The research identified five “clusters” that were named based on how they vary in terms of demographics, buying behavior and attitudes about the important factors in meat production, LeValley explained.

The first cluster, labeled Quality Seekers, accounted for about 12% of those surveyed. This group looks for a wide variety of more extensive items in one shop. Health and Natural consumers, comprising 13.2% of the market, value natural production practices.

Moderate consumers — those who look for a wide variety of products available



PHOTO BY TROY SMITH

► **Robbie LeValley**

at competitive prices — accounted for 29.6% of those surveyed. Empathetic Value Seekers, representing 22.6%, are similar to Moderates, but they are more willing to purchase halves and quarters of a beef carcass since they are offered at affordable prices.

The final group, the Price Conscious, search for the best prices and usually buy in bulk. This group accounted for 22.1% of those surveyed.

After identifying these five groups, LeValley said, a marketing plan was made for each one of them.

“If the product is created with the target consumer in mind during all stages of production, you’re more likely to have success,” LeValley said.

In 2002, CHR bought a USDA-inspected packing plant and continued to produce its beef. “We have no antibiotics in feed, no growth hormones, no animal byproducts. It’s a USDA-inspected product, it’s aged and dry-aged on the rail for 14 days. It is local, and it is traceable,” LeValley said. “That is what is on our PQC (partial quality control) for our label.”

Since CHR’s packing plant is one of two in Western Colorado, two-thirds of the work they do is for custom packing. The other one-third is for the CHR beef.

“That’s what helps pay the bills,” LeValley said. “We’re not in this to take a commodity price; we’re in this to even out the cash flow for the next year and make sure that we can pay the bills. Custom work helps pay the bills, and then there is the strong demand for our local product.”

CHR is continuing to work on the future. They have begun to partner with appliance stores that sell grills and freezers. LeValley explained that through the partnership, they give beef with the purchase of a grill. That way consumers know what they have to offer.

CONTINUED ON NEXT PAGE



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