



PNMWG

Pork Niche Market
Working Group

Update



Niman Ranch project to develop quality assurance program

One of the five projects being supported by the PNMWG involves helping Niman Ranch Pork Company develop a meat quality assurance program. Niman Ranch pork is valued largely for its superior eating quality, and its customers expect a top-quality product.

The project will invest in helping create a program to ensure that this eating quality is consistently maintained and improved when needed. In return, the PNMWG will learn what it takes to develop and maintain a meat quality assurance program for pork.

"Farmers are very interested in improving their products and are eager for help," said Lori Lyon of Niman Ranch. "They want to raise the best pork they can, and they want to know how to improve because this will increase their options down the road. So, the out-

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comes of putting in place a quality assurance program will be better prices, improved chances that farmers can continue raising hogs, and ultimately, the best pork available for our customers."

Niman Ranch has already invested much effort in evaluating the quality of

pork coming from farmers who supply the company with hogs. Since the fall of 2001, Niman's custom packer, Sioux Preme Packing Company, has measured the pH of all Niman hogs, with pH being a key indicator of meat quality. Around the same time meat scientist Marlan Braet was also hired to assist in evaluating the quality of Niman pork.

The PNMWG-supported project will build on this work by helping establish a program that will monitor pork quality on a continuous basis and assist farmers who need to make changes in their operations.

"We'll learn from farms producing the best pork, and we'll provide support to change the operations of farmers who need to improve pork quality," said Paul Willis of Niman Ranch. "We ultimately want to get to where we can provide financial rewards to farmers who are producing the highest quality pork."



Fresh Air Pork: Is direct marketing the answer?

By Tom Frantzen, Alta Vista

When prices are very low in commodities, many agricultural entrepreneurs see direct marketing as the solution. Does this apply everywhere? What roles do local conditions play in this decision?

In the 28 years that I have farmed, our marketing has evolved from all conventional (they set the price) to mostly alternative markets where we have a major role in price establishment.

Cash market hogs are our principal means of income. The last "traditionally" priced hog left our farm in early 1998. We now sell to specialty markets such as CROPP Organic Valley market or Niman Ranch Pork Company.

As these markets developed, a small group of hog farmers in the Alta Vista, Iowa, area decided to form a cooperative to assist in the production, marketing and sales of alternatively produced hogs. This group was called Fresh Air Pork, and I was a member.

Continued on page 3

Continued on page 2

Fresh Air Pork: Continued from page 1

The word “fresh” in Fresh Air Pork is actually an acronym that stands for Family Raised Environmentally Sound Hogs. Fresh Air Pork decided to enter the direct marketing meat business in January of 1999. We targeted local sales, health food stores and institutional buying. Our first hogs were butchered in March of 1999, and we were soon busy calling on accounts.

We had success with two health food stores right off the bat. They were anxious to get our product. We did cooking demonstrations, and our sales were judged to be a good addition to the stores’ offerings. Fresh Air could not afford to sell them pork at wholesale prices, and they had to pay retail price and then add their store margin on top of that. In spite of that price barrier they sold our pork on a regular basis.

We developed a steady stream of sales straight from the freezers in the office that the local elevator provided. Local consumers liked our quality and selection. We promoted the pork through advertising and word of mouth. We had bus tours stop to check the operation and make purchases. Some local businesses used our pork in their customer dinners.

Fresh Air Pork strived for institutional sales as well. We made “professional” approaches to the food service managers here. We donated and cooked meals for the advisory councils that advise the food service. We were well received, and when the required product specifications were detailed we met them. In spite of repeated attempts, we never sold one ounce of pork to a single institution. This significantly hurt the potential sales volume and in time was a key factor in our decision to stop direct marketing.

In spite of the significant success of local sales, the Fresh Air direct pork



Tom Frantzen’s pigs go to market.

marketing ended on April 1, 2002. The sales volume never reached a profitable level in three years. What went wrong? With so much done right, was there something out of place?

Getting the best value from a hog carcass is a difficult task. Our local sales were strong on ground and packaged products like pork sausage and hot dogs. We had excellent bacon sales. However, we could not sell enough pork loin items, and ham sales were so poor that we often had ham ground with the trim meat. Here we could not sell the high value pork and lost the margins that those cuts produce. You can only sell so many \$3.50-a-pound pork chops in Iowa. The supermarkets are about a \$1 a pound cheaper, and that is where most people go.

What lessons can be learned from this experience? Is there a place for direct marketing? I think so. But both the location and the right kind of individual must be found. A large population area is a major consideration. The marketers must accept the fact that it will take years to build the business volume that will return profits. This means that their

effort will have to be subsidized in the beginning.

I have learned to respect the highly complex nature of the meat business. Fresh Air’s best asset is the continuing relationship with professional marketing businesses. This is where I see the value of farmers investing in the cooperatives that sell what they can produce and give those farmers a true say in the pricing of the product. It limits the amount of time that the farmers have to put into becoming expert marketers. They are free to work on production issues.

The marketing partners have a direct link with the farmers, and they can spend their time and resources doing what they do best. That job is to get the best returns for each of the many components of the hog carcass. This partnership looks like the way to go for my operation, and I think that the members of Fresh Air Pork will agree. •

Tom Frantzen, a pork producer from Chickasaw County, has participated in the PNMWG. The complete version of this story is available on the PFI website (www.pfi.iastate.edu) under “What’s New?”

Niman Ranch project: Continued from page 1

Testing procedure

Currently the pork quality evaluation system works like this: Each week Sioux Preme Pack collects pH values at 24 hours after slaughter on all Niman Ranch hogs. In addition, further testing is done on pork from hogs that come from a subset of farmers selected by Niman Ranch for more analysis. These measurements include loin eye area, color, marbling, firmness, tenderness and drip loss. A taste panel also evaluates broiled center-cut chops for flavor, juiciness, tenderness and texture. A formula is then used to convert these measurements into a single number that represents the quality of the pork from each farmer's hogs.

Key observations

With the testing already done using these procedures, two key observations are possible. One is that there is a high degree of consistency over time in the meat quality of hogs from farmers with the best pork. Thus, the program to be developed need not continue to focus on farmers who are at, or near the top, in terms of meat quality, which can help save resources.

The second key observation is that the factors influencing meat quality can be determined by examining the practices of the farms producing the best pork. "By testing the pork on our farms, we can determine where the problem areas are, as well as learn from farms producing the best pork," Lyon said.

One production feature that Niman Ranch believes impacts meat quality is the fact that Niman's hogs are raised in a virtually stress-free environment where they put on more fat and get ample exercise. But the crucial variable influencing pork quality among farmers supplying Niman with hogs is genetics. The project should make it easier to isolate

"By testing the pork on our farms, we can determine where the problem areas are, as well as learn from farms producing the best pork."

- Lori Lyon, Niman Ranch Pork Company

and propagate genetic lines within certain breeds that have the best meat quality, and then make these genetics available to farmers who need to improve meat quality.

Future outcomes

The project will help Niman Ranch continue to collect the meat quality data from farmers who are selling hogs into Niman's niche markets. At the same time, the company will develop protocols for how to 1) target the gathering of meat quality data, 2) inform farmers of the results, 3) value the quality and provide price incentives to improve, and

4) provide technical support to farmers who want and need to make adjustments to improve quality. Niman will also determine the costs involved in operating the quality assurance program that is developed.

Lori Lyon will oversee the project, while Marlan Braet will continue to do most of the testing. Braet is a meat scientist who worked under Dr. Lauren Christian at ISU from 1988-2000. He was responsible for all the National Pork Producer Council's progeny testing and National Barrow Show evaluation during that time. "Marlan brings with him a lot of expertise and experience in evaluating pork quality," Willis said, "and he is also very familiar with relationships between things such as genetics and meat quality."

The project is set to wrap up this summer. "At that time we will have a meat quality assurance program developed," Lyon said. "We will also know the costs involved in conducting such a program, and we would be willing to share information on how we put together this program with interested parties." •

Mission & Supporters

The Pork Niche Market Group (PNMG) was started to support the development of niche markets for pork. Its mission is to foster the success of highly differentiated pork value chains that are profitable to all participants, that incorporate farmer ownership and control, and that contribute to environmental stewardship and rural vitality.

The working group has had participation from nearly 30 organizations, including seven core partners that have contributed financially to support the coordination of the group's work. These core partners include the Leopold Cen-

ter, Practical Farmers of Iowa, ISU Cooperative Development Center, Iowa Pork Producers Association, Iowa Farmers Union, Iowa Institute for Cooperatives, and the Greater Des Moines Partnership. Additional support for PNMWG activities comes from the W.K. Kellogg Foundation and USDA Rural Development.

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PNMWG Calendar

▶ Jan. 22-23—Iowa Pork Congress, Veterans Auditorium, Des Moines. Various seminars, including “Value-Added Business Planning and Feasibility” and “Sow Longevity and Welfare.” For more information: 800-372-7675, www.iowaporkcongress.org.

▶ Jan. 24-25—Practical Farmers of Iowa Annual Conference, Gateway Center, Ames. Various pork workshops, including “Winter Farrowing in a Greenhouse,” “Using Antibiotics Wisely,” and “Swine Nutrition for Health.” Plus Rick Schnieders, CEO of SYSCO, a foodservice marketing and distribution company, will participate in a panel titled “Growing Our Markets, Maintaining Our Values.” Info is available at www.pfi.iastate.edu/Calendar/PFI_Conference_2003_Preview.htm, or contact Sandra at 515-232-5661 ext 101 or sandra@practicalfarmers.org.

▶ Feb 25—Temple Grandin, a designer of livestock handling facilities and Associate Professor of Animal Science at Colorado State University, will speak at

8pm in the Sun Room of the Memorial Union at ISU. Her lecture is titled “Visual Thinking Process in Design: From the Viewpoint of a Person with Autism.” Dr. Grandin has developed a scoring system for assessing handling of cattle and pigs at meat plants that is being used by many large corporations to improve animal welfare.

▶ March 31—Deadline for comments on proposed standards for livestock and meat production/marketing claims for USDA Certified or USDA Verified programs, which will become the United States Standards for Livestock and Meat Marketing Claims. See page 79552 of the 12/30/02 Federal Register for the official notice (or use www.access.gpo.gov/su_docs/fedreg/a021230c.html and access notice titled “Livestock and meat marketing claims” under Agricultural Marketing Service in table of contents).

Resources

 Publication—*Minimizing the Use of Antibiotics in Pork Production*, IPIC 8. Iowa State University Extension publication for hog farmers interested in reducing antibiotic use; includes sections on basic management skills, managing to reduce stress, environmental and housing issues, nutrition, genetic programs, and a list of resources. \$.50 a copy. To order, call the Iowa Pork Industry Center, 800-808-7675 (in Iowa) or 515-294-4103.

 Publication—*Profitable Pork: Alternative Strategies for Hog Producers*. USDA SARE publication, 16 pages. Showcases examples of alternate ways to raise pork profitably. Features profiles about successful hog producers as well as the latest research on everything from achieving greater profits to raising better-tasting pork in alternative hog systems. www.sare.org/bulletin/hogs/profpork.pdf.

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Practical Farmers of Iowa

Pork Niche Market Working Group

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