

2014 Direct Marketing of Lamb Study

The American sheep industry has recognized the recent shift of lambs being channeled from traditional market chains, feedlots and packers, into a growing non-traditional sector. In an effort to better understand the process and provide relevant support to those producers who are direct marketing their products; the American Lamb Board (ALB) commissioned a study in December 2013. Being both producers and direct marketers from the east coast, Laurie Hubbard and Joanne Evans were hired to assess the needs of direct marketers and make recommendations on ways the American Lamb Board can assist producers in these efforts. A direct marketer is defined as a sheep producer that owns and cares for their livestock, while marketing their lamb directly to the end user (consumer.)

This winter, with the support of the industry, an electronic survey was distributed in an effort to learn more about direct marketers and their growing sector in the market place. The survey responses were gathered by regions (refer to Table 1) and accounted for sales of more than 50,000 lambs from over 800 producers. While all types of direct marketing were addressed, the survey respondents represented the following percent for each type of sales: Farmer's Markets (18%), Meat Sales off the Farm (39%), Live Animal Sales (71%), Internet Sales (22%), Community Supported Agriculture(CSA) (5%), Retail (16%), and Foodservice (16%). A regional breakdown of types of sales can be found in Table 2. Most marketers noted diversification with more than one method of sales. Producers profiled their customers as being between the ages of 31 and 50 and the majority were shopping for a family of four or more. It was noted that 90% of producers raised all of their lambs from birth, while the remainder purchased additional feeder and/or finished lambs to fulfill their market demands. A look into marketing strategies provided "local" and "humanely raised" as the most utilized claims with preferred advertising methods being word of mouth and the internet. The survey provided a snapshot of direct marketing efforts that led into the next phase of the study, personal interviews.

With a sound understanding of marketing efforts across the country, Hubbard and Evans spent the spring visiting with producers in twenty states to get an in depth look at their farm operations, their respective markets and marketing venues. While each situation was unique, there were commonalities in efforts both regionally and nationally. All sectors were explored with flocks ranging from ten head to operations with over 2000 head. Of the producers interviewed, there was a universal acceptance and understanding to promote the industry as a unified commodity. The majority of the industry realizes that all segments play a vital role in keeping lamb top of mind and available to consumers. The successful direct marketers let their true passion for lamb guide their efforts. Producers demonstrated their resourcefulness and innovation by implementing ideas such as:

- Adding a USDA inspected kitchen onto their home to further develop their value added product line
- Tanning and dyeing their hides for use in the fashion industry
- Adapting their farm to house a store, harvesting room, and or processing facility
- Opening their farm for a festival to the public in which they educate, promote, view livestock production and care, and sometimes offer entertainment.

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The ingenuity of direct marketers of lamb knows no boundaries. Also noted in the interview process were the universal frustrations across the sector. Some of those frustrations were:

- Sheep production/management issues
- Assessing the value of their product and pricing it for consumers
- Access to USDA inspected processing facilities and harvesters' familiarity with lamb
- Legal status of on farm harvesting
- Lack of a central industry resource to guide and address the direct marketing process (marketing ideas/questions, previously developed recipes, assistance in promotion planning strategies, etc.).

Despite the frustrations, direct marketers are making their own paths in order to sell their products.

Throughout the study, resources and tools of direct marketers were collected and assessed. The most widely used resource was the internet whether for research or continuing education. For a complete listing, please refer to Table 3.

The final task of the study was to make recommendations to the American Lamb Board as they work more specifically with direct marketers. After all the gathered information was compiled and analyzed the following list was prioritized:

1. Direct Marketing Tool Kit: include a pamphlet-Is direct marketing for you? Relevant resource materials to include topics such as: The Lamb Consumer, Seasonal Merchandising Ideas, The Ethnic Lamb Consumer, Lamb Carcass & Cuts, etc.
2. An ALB Staff Person to work with direct marketers as a resource: provide guidance and follow up with development of cuts/value added products, test kitchens, projects or events, etc.
3. Cost Calculator-Cornell Coop Tompkins Meat Yield and Price Calculator
4. Templates: promotional material, advertisements, meat labels, point of sale material and recipes, cut charts, cutting instruction sheet; in which Direct Marketers may insert their logo for personalization
5. Producer Education: marketing media sessions, management prior to harvesting, determining finish on live lambs, carcass breaking, stress reduction/meat quality, techniques to minimize shrink, etc.; may utilize 5 minute videos for the internet
6. Promotion of Mutton as a good quality protein
7. Unified Industry Response about the lamb commodity for vegans and animal rights people
8. Blog Site or central information center for communication between direct marketers to share ideas
9. Q Reader- a Q code available for use on packaging/promotional materials that would direct consumers to AmericanLamb.com/recipes. Envisioning a shopper at a grocery store looking for meal ideas, she/he picks up ground lamb and uses the Q code to access a recipe for which she/he can pick up the ingredients while still at the store.
10. Hides: toolkit, pamphlets of resources (tanneries, suggestions for sales)
11. Need Photos in higher resolutions and larger format size to add to their own brochures/ads
12. Carcass Poster with primals and sub-primals then corresponding recipes all in one: plastic/cardboard cut chart with refillable sticky recipes

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13. Recipes – family friendly, simple (minimal ingredients), kid friendly, crock pot; cards -4X6 preferred and or pamphlet with perforated recipe cards
14. Direct Marketers section of lambcheckoff.com to provide information (foodie trends, seasonal recipes, etc.) for Direct Marketer’s use, including a link to Fans of Lamb site
15. Direct Marketers would like more collaboration with ALB: including more lead time for upcoming events, promo materials, slogans, templates for posters/ads for seasonal events

The marketing sector of the sheep industry continues to show a steady increase on non-traditional lamb sales.

Laurie Hubbard & Joanne Evans

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Table 1: Survey Responses by Region

% Response: Survey location:

17.54 %	Region 1: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont
16.79 %	Region 2: Alabama, Arkansas, Delaware, Georgia, Florida, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
25.87 %	Region 3: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin
10.95 %	Region 4: Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota
1.37 %	Region 5: Texas
5.47 %	Region 6: Colorado, New Mexico, Utah, Arizona and Nevada
3.86 %	Region 7: Montana, Idaho and Wyoming
18.16 %	Region 8: Alaska, California, Hawaii, Oregon and Washington

Table 2: Type of Sales by Region

Region:	% Farmers Markets	% Meat Sales off the Farm	% Live Animal Sales	% Internet Sales	% CSA	% Retail	% Foodservice
1	25.86	36.43	15.06	14.48	36.92	22.97	20.35
2	18.50	20.76	27.13	14.18	10	19.06	3.20
3	14.68	17.29	15.78	21.42	18.72	19.46	5.38
4	7.19	6.18	5.07	8.78	2.56	2.79	1.50
5	1.19	0.47	1.17	3.46	3.08	0	1.88
6	6.58	5.72	4.41	4.79	14.36	6.58	11.83
7	4.04	5.22	1.88	6.53	0	2.32	11.40
8	21.96	7.93	29.50	26.36	14.36	26.82	44.46

Table 3: Resources

1. Internet
2. Shearer/Fellow Producer
3. County Extension
4. Veterinarian
5. Universities
6. State Sheep Associations
7. ASI
8. ALB
9. Commercial Companies