



Beef Producers Should Focus on Marketing in 2020

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Beef has had competition on the international trade floor, but global factors may influence it to be a strong and steady market in 2020.

Beef producers packed the room during the annual Lancaster Cattle Feeders Day on Tuesday at the Lancaster Farm and Home Center. The event hosted by Penn State Extension featured Henry Zerby of Wendy's Quality Supply Chain Co-op Inc.

“A lot of good things are going on in trade space right now,” Zerby said. Recent trade deals that have been made with China and Japan, along with the United States-Mexico-Canada Agreement, could give the pricing of beef more support throughout the fiscal year.

Producers should try to think about what is happening in different cultures around the world, especially cultural holidays, because those factors have a great impact on global demand.

African swine fever has decreased China's swine herd, and with the celebration of the New Year many Chinese companies have emptied their pork reserves. There has been a lot more demand for alternative proteins, such as beef and American pork, Zerby said.

China also has a growing middle class that has been increasing its protein consumption.

In its recent trade deal with the United States, China is allowing imported beef to have traceability to the feedlot, and is allowing the use of implants in cattle. China has promised to remove its prohibition on slaughter sales of cattle over 30 months, according to the Cato Institute.

However, China lacks the resources to feed its middle class and the growing population, which has led to them making investments in land and infrastructure in other countries.

China has investments in the United States, but most recently, companies have been working with Brazil and Argentina in creating processing plant infrastructure in those countries, Zerby said.

On the homefront, producers have some work to do in marketing. Another beef competitor is plant-based protein.

“There is room and there is need for all kinds of sources of protein,” he said.

Beef producers can often feel pitted against the new and chic protein. Big companies like Wendy's will look at plant-based protein from an economical angle. "They want to, if it makes them money," he said.

Currently, Wendy's has not taken any action to invest in plant-based protein. But the fast-food chain has been sourcing fresh North American beef and using products of steers and heifers, Zerby said.

Producers should think about marketing their beef instead.

Marketers in general have long focused their efforts on demographics, but are now approaching people based on their beliefs.

This can be done in the form of getting involved in niche markets and sharing your beef product's story. Zerby encouraged producers to be aware of consumer trends like the Flexitarian diet, which is less restrictive than vegetarian or vegan since it allows animal proteins and products consumed in moderation. Consumers are interested in consuming meat, egg and dairy products that have an animal welfare program and are antibiotic free.

"When someone asks you a question and you're answering on behalf of agriculture, you're marketing," Zerby said.