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Cutting-Edge Cuts

New meat offerings to benefit consumers, retailers and ranchers.

by *Miranda Reiman*

Getting consumers to buy more beef makes everybody in the industry more profitable.

It's no surprise, then, a leading cattlemen's organization, a major retailer, the top branded beef program and a successful fabricator would join forces with that end in mind.

In March, the beef checkoff introduced four new cuts at 12 Meijer stores in the Cincinnati, Ohio, metro region. Meijer is the top-volume retailer for the *Certified Angus Beef*® (CAB®) brand in the country.

By fabricating individual muscles out of the chuck roll subprimal, the Beef

Innovations Group (BIG) came up with the Denver cut, country-style ribs, chuck eye steaks and the boneless chuck eye roast. Colorado Premium Beef currently splits the chuck roll and removes seam fat, helping the retailer to easily create the cuts.

"Back in the good old days, we'd put the chuck on the counter and it was gone," says Kari Underly, a Chicago-based meat-marketing consultant. "We had people who knew how to cook the product, and they knew how to choose the product."

Today, consumers often don't have the knowledge or time to prepare a roast. As demand for those traditional cuts dropped,

so did price. That's why checkoff dollars were invested to turn that trend around.

"It's important to realize that 50% of the weight of the beef carcass only contributes 25% of the value," she says. "That's not a very good proposition for cattle producers, so they commissioned industry partners to figure this out."

And that's just what they did.

"They took the chuck apart and tested each one of those muscles in different cooking applications and developed recipes," says Jim Henger, executive director of retail marketing for the National Cattlemen's Beef Association (NCBA). "The

► **Left:** Al Kober, CAB director of retail, says the new meat cuts are a “win-win-win” for producers, retailers, packers and CAB.

chuck has a lot of seam fat in it. By removing muscles and cleaning up a lot of that fat, you come up with products that are lot more appealing to the consumer.”

Once the best cooking methods were determined, the team took it to the consumers for in-home testing.

“The results came back very favorable,” Henger says. “Now, the purpose is to see how these new products actually perform in the marketplace. We’ve developed and tested them. They seem like they’re going to be home runs, but until you get them out in the consumers’ hands through normal processes, everything else is just hypothetical.”

That’s where Meijer comes in.

Real-world test

“Because we’ve been good partners with CAB for many, many years, we wanted to work with them and give these new items every possible chance to succeed,” says Terry Mitchell, director of meat and seafood for Meijer.

The beef checkoff and Certified Angus Beef LLC (CAB) provided the stores with marketing materials, such as posters, on-package labels and cooking demonstrations to promote the new cuts.

“For something new like this, it’s critical to have the support from CAB and the beef checkoff to get the word out to our customers,” Mitchell says.

As the test wraps up, NCBA will send in a research team to conduct surveys with shoppers and meat department employees. That information, combined with sales numbers, will give them data to analyze.

“We’ll evaluate these new cuts and the marketing program we put around them and see how successful they were,” Henger says. “If we need to go back and tweak any of those various elements, we will.”

The beef checkoff will use that information while recruiting more retailers for the new cuts.

“What we hope comes out of this pilot study is that these cuts will be incremental sales to their beef tonnage, that they won’t actually take sales away from another steak or roast,” he says.

Real-world numbers will prove the economic advantage.

“We did our due diligence. We separated this out every which way to see how we could make the retailer money,” Underly says of the initial phase. “We’re happy to report that there is money on the table.”

The Meijer test should help quantify just

how much money, but past examples show the return could be significant.

“The more we can add value to the carcass, ultimately that finds its way back to the producer so they’ll get more money for their product,” Henger says. “That’s been proven very easily with the flat iron. By removing it, we increased the value of that muscle by \$3 to \$4 per pound (lb.)”

Cattle-Fax estimates that the first round of value cuts, including the flat iron and the petite tender, added more than \$50 to the value of the chuck.

In addition to increasing meat sales and the price they receive for the chuck, Mitchell hopes it will continue to set them apart.

“They’re just additional variety for our customers to select from,” he says, noting that CAB already helps them differentiate. “It’s excellent quality, and it’s something to separate us from our competition. Nobody else carries the quality that we do.”

Excellent timing

Henger says the items are being introduced at the perfect time of year.

“Most retailers will tell you that they’re always looking for something new to offer their customers,” he says. “We’re providing them new cuts coming into the summer grilling season. At least three of the four cuts lend to grilling very well. Any time you can introduce something that’s fairly easy to put on the grill, retailers get excited about that.”

Al Kober, CAB director of retail, says the program is a “win-win-win” for everyone involved.

“It’s really great that we can leverage cattle producers’ dollars through promotions with

the retailers, the packer, Certified Angus Beef and Colorado Premium Beef,” he says. “We can all leverage the dollars and get more bang for our buck.”

Meijer has always been supportive of the brand, so Cincinnati became the perfect choice for a CAB target market, or a four-year concentrated promotional effort. During that time frame, the company will conduct research, advertising, event sponsorship and consumer events.

“When CAB presented the chuck roll merchandising at our annual conference in 2007, Meijer was one of the first to show interest, making them a logical choice in the beef checkoff’s search for a partnering retailer,” Kober explains. “Combining the target market efforts of CAB and the checkoff’s chuck roll initiative with the same retailer, in the same location, is a natural combination for success.”

Mitchell and his colleague, Rob Beck, know that it will take employee buy-in to make the kickoff a success.

“We’re not going to differentiate by just putting it out there and putting the posters up,” says Beck, the southern region vice president for operations at Meijer. “We’re going to differentiate by having people talking to people. We need every employee in every one of our stores to know what’s going on in the meat department. They need to know what’s happening and be excited about it.”

That should make America’s cattle producers optimistic. If one major retailer is this enthusiastic, it’s bound to catch on with consumers. Then it’s just a matter of time before that value finds its way back to the ranch. **AJ**



► Certified Angus Beef LLC and the beef checkoff provide retail stores with marketing materials such as posters, on-package labels and cooking demonstrations to promote new cuts of beef.