

## Market Trends for Niche Pork and Opportunities for Farmers

Iowa Pork Congress  
January 25, 2007

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## Market Research and Market Trends

### *An Evaluation of the Importance to Consumers of Selected Niche Pork Attributes*

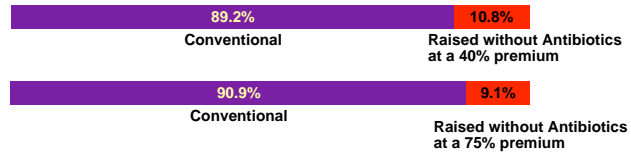
*R Parker & Associates, Inc. / Ashcraft Research  
May 2005*

*Funded by the National Pork Board and the Pork Niche Market Working Group.*

[www.pnmwg.org/projects\\_reports/Nicheconsumerresearch.pdf](http://www.pnmwg.org/projects_reports/Nicheconsumerresearch.pdf)

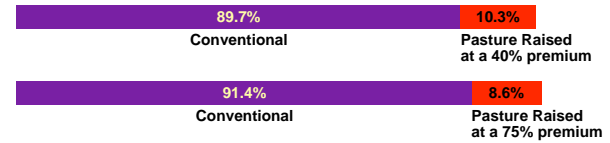
## Simulations

What is the estimated market potential when **pork raised without antibiotics** is sold along with conventional pork?



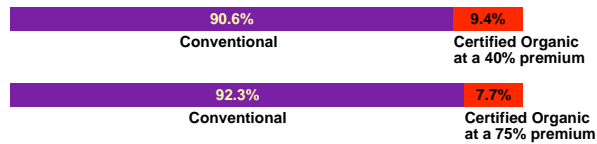
## Simulations

What is the estimated market potential when **pasture raised pork** is sold along with conventional pork?



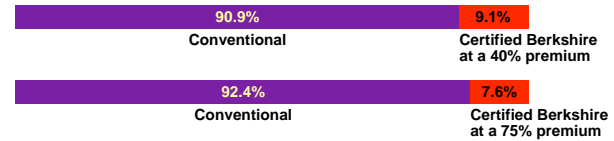
## Simulations

What is the estimated market potential when **certified organic pork** is sold along with conventional pork?



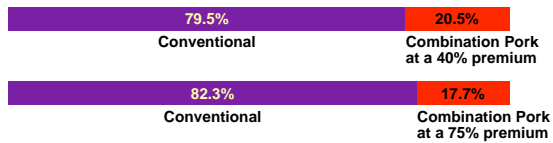
## Simulations

What is estimated market potential when **certified Berkshire pork** is sold along with conventional pork?



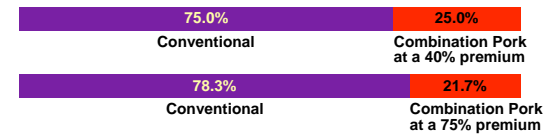
## Simulations of Attribute Combinations

What is estimated market potential when a combination pork product (**raised without antibiotics, growth promotants, and animal by-products**) is sold along with conventional pork?



## Simulations of Attribute Combinations

What is estimated market potential when a combination pork product (**pasture raised, raised without antibiotics, raised without growth promotants, raised without animal by-products**) is sold along with conventional pork?



Examples of demand:

- Chicago area ham, bacon, and sausage processor seeks antibiotic-free (birth to slaughter) hogs
- Does private label processing for high-end grocery stores (ie Whole Foods and Trader Joes)
- Has new account that would require a truckload of bellies every other week.

Dear Sir/Madam,

My name is Dale Dexter. I oversee the Natural Pork Program at Coleman Natural Meats (Golden, Colorado). I have enjoyed reading the information on your website and would like to receive your newsletter on a regular basis.

We are always looking for Pork Producers that can supply, what we call "Never Ever" hogs—never received antibiotics or growth hormones.

Thank You,

Dale R. Dexter, Ph.D.  
Coleman Natural Meats

## *Chefs 'pig out' on Berkshires, heirloom hogs prized for flavor and texture*

By Bret Thorn

**C**hefs seeking new ways to differentiate themselves with premium products aren't just procuring heirloom produce and specialty fish. Now an increasing number of them also are looking at heirloom hogs, or more specifically, Berkshire pork.

Thought to be discovered by British revolutionary Oliver Cromwell in Reading, England, more than 300 years ago, Berkshires generally are regarded highly for their good texture and flavor, and remain a highly regulated breed. American farmers wishing to register a litter of pigs as Berkshires must apply with the American Berkshire Association and provide proof of the animals' pedigree.

"You can see they have a nice build," says Jarrod Verblack, chef of Three Blinds restaurant in Lakewood, Ohio. "They have good hams on them and . . . a good belly."

Verblack clearly likes their ribs, too, which he recently made into guacamole by curing them for 30 days in sugar, salt and spices. He served them in a risotto with artichokes and charrettes at a din-



*Above: Three Blinds, executive chef of the Lakewood-based restaurant, says he likes the Berkshire pork's texture and flavor. Below: Verblack, chef of Three Blinds restaurant in Lakewood, Ohio, says he likes the Berkshire pork's texture and flavor.*

## Summary of Top Attributes Being Sought

- # 1: Quality - need consistently high quality
- # 2: Never received antibiotics, hormones, or animal by-products
- # 3: Non-confined, bedded systems
- # 4: Family farms (ie the "story")
- # 5: Breed specific (ie Berkshire)
- # 6: Verify claims/traceability (3<sup>rd</sup> party best)
- # 7: Certified organic (small but loyal market)

Opportunities: Who is looking for farmers to raise hogs for niche markets?

## Beeler's Naturally Pure Pork Brunsville, IA

### Requirements:

- No antibiotics, growth promotants, or animal by-products in feed
- No crates (farrowing or gestation)
- Bedding and outside access required
- Seeking farrowers and finishers
- Contact Tim Beeler at 515-490-8585 or [tbeeler@beelersporepork.com](mailto:tbeeler@beelersporepork.com)



100% PURE AND NATURAL\* PORK. HOGS RAISED WITHOUT ANY ANTIBIOTICS, GROWTH PROMOTANTS, VACCINES, INJECTIONS OR VERMIFUGES\*\*!

\* No artificial ingredients and only minimally processed  
\*\* Chemicals used for the treatment of parasites

## Organic Valley Coop/Organic Prairie - LaFarge, WI

### Requirements:

- 50% Berkshire
- certified organic
- Contact Allen Moody at 888-444-6455 or [allen.moody@organicvalley.coop](mailto:allen.moody@organicvalley.coop)



## Wholesome Harvest Colo, IA



### Requirements:

- 50%+ Berkshire
- Certified organic
- For application visit [www.wholesomeharvest.com/servlet/the-template/producer/Page](http://www.wholesomeharvest.com/servlet/the-template/producer/Page)

## Certified Organic Pork Production Requirements

- Only certified organic feeds
- No GMO derived feeds, supplements, or additives
- No antibiotics, paraciticides, hormones, tail docking, farrowing crates, slatted or wire floors
- Feeding of rendered animal by-products prohibited
- Pigs cannot be weaned before six weeks
- Access to outdoors after weaning
- All sleeping areas must be deep-bedded; bedding must be 6 inches deep and from a certified organic source

## Eden Natural - State Center, IA

### Requirements:

- 100% Berkshire
- No rendered animal by-products in feed
- Minimum 100 day antibiotic withdrawal
- Also need hogs raised without antibiotics
- Seeking farrow-to-finish and finish only
- Contact Kelly Biensen at  
641-483-2292 (o)  
641-485-0549 (cell)  
[info@betterpork.com](mailto:info@betterpork.com)



## New Generation Ag Marketing Ames, IA

### Requirements:

- No antibiotics
- No animal by-products in feed
- No crates; bedding and outdoor access required
- Also seeking certified organic hogs
- Contact Donnie Sheldon at 765-346-0988 or abfpigman@hotmail.com

## Niman Ranch Latimer, IA

### Requirements:

- High meat quality
- No antibiotics, hormones, or animal by-products;
- No crates; bedding and outdoor access required
- Contact janeth@nimanranch.com or call 641-579-6594



## Blue Water Pork Hubbard, IA

### Requirements:

- No antibiotics, no hormones, no animal by-products in feed
- Bedding and outdoor access required
- Also seeking certified organic hogs
- Contact Al Doering at 641-640-8000 (cell) or aldoering@plantpioneer.com



## Evaluating Opportunities

- Options not equal
- Farmers must do “due diligence”

## Key Questions to Answer

1. Do I start something new or partner?
2. Can I meet production standards?
3. Can I make money?
  - a) Cost of production
  - b) Prices received
  - c) Whether systems in place to share profits

**DISCLAIMER:** data are from only 12 “antibiotic-free, bedded” farms, and only 8 had records for both 2004 and 2005. This is not enough farms to be certain the data are representative of all farms using these production systems.

(Data are from Dave Stender, ISUE Swine Field Specialist)

	A	B	C	D
	2004 Avg	2005 Avg	<i>min</i>	<i>max</i>
1 Average Breeding Female Inventory, No. of Head	106	123	5	325
2 No. of Litters Weaned per Female per Year	1.6	1.7	1.2	2.1
3 No. of Pgs Weaned per Litter	7.5	6.3	3.5	9.3
4 No. of Pgs Weaned per Female per Year	12.3	10.8	6.9	17.2
5 Total Pounds of Feed per Cwt. of Pork Produced	404	416	338	543
6 Hours of Labor per Cwt. of Pork Produced	0.93	0.84	0.39	2.27

	A	B	C	D
	2004 Avg	2005 Avg	<i>min</i>	<i>max</i>
1 Feed Cost/Cwt. of Pork Produced	\$ 27.70	\$ 22.68	\$ 16.41	\$ 38.81
2 Other Operating Costs (except Hired Labor)/Cwt.	\$ 10.59	\$ 11.53	\$ 4.93	\$ 20.06
3 Utilities, Fuel Elec. & Telephone/Cwt.	\$ 2.28	\$ 2.47	\$ 0.38	\$ 7.80
4 Veterinary Services & Medicine/Cwt.	\$ 1.66	\$ 1.55	\$ -	\$ 5.34
5 Depreciation, Taxes & Ins. Costs/Cwt.	\$ 5.14	\$ 3.54	\$ 0.04	\$ 9.49
6 Interest Charge on Fixed Capital/Cwt.	\$ 1.53	\$ 1.36	\$ 0.05	\$ 3.75
7 Interest Charge on Operating Capital/Cwt.	\$ 0.88	\$ 0.91	\$ 0.20	\$ 1.90
8 Value of Labor/Ab/Cwt.	\$ 7.16	\$ 10.47	\$ 0.71	\$ 18.49
9 Total NON-feed Cost/Cwt.	\$ 25.30	\$ 27.81		
10 Total Cost/Cwt.	\$ 53.00	\$ 50.49	\$ 40.51	\$ 72.21
11 Average Price Received/Cwt. of Market Hogs	\$ 57.50	\$ 51.68	\$ 50.01	\$ 64.65

### Projects underway to help on production topics:

- Niche Pork Herd Health and Production Cost Management Project
- Niche Pork Production Management Handbook
- Niche Pork Herd Health Best Management Practices Guidebook

### **Other Key Questions to Answer**

- 4. Does the company have a good track record?**
- 5. Does the “brand” have a strong position in the marketplace?**
- 6. Are strong management and operations teams in place?**
- 7. Are there good partnerships with processors, distributors, and customers?**
- 8. Is a strategic plan in place for continued innovation to maintain the niche over time?**
- 9. Is there adequate transparency and communication?**

**Questions or Comments?**