

Comment Number: AGW-15690

From: Alan Lewis [alewis@vitamincottage.com]
Sent: Monday, August 30, 2010 12:26 PM
To: ATR-Agricultural Workshops
Subject: Case study on success with niche markets for livestock
Attach: [Wild Idea from VC_Oct_10_Guts_8-26.pdf](#)

Please forward to Phil Weiser. Thank you.

Phil,

Thanks for taking part in the recent workgroup session in Fort Collins regarding competition in the livestock industry. I noticed you mention several times that **niche markets** could help some producers increase profitability; I also noticed that no one in the room really cottoned to the idea. Below is one brief success story that represents our efforts, as a natural grocer, to develop specialty meat products outside of the larger vertically integrated feedlot system. If this letter gets to you, please feel free to ask for more detail.

"Wild Idea" buffalo

Wild Idea operates an American Bison ranch in South Dakota (see <http://wildideabuffalo.com/>). Their animals spend 100% of their life on open rangeland eating natural grass and forage. They are never ever given antibiotics or growth hormones. Before this year, they only had sales to online and walk-in retail customers. Currently, Natural Grocers is buying all of their production and they are further developing the herd to meet our demand.

Wild Idea ground buffalo sells for \$7.49 per pound in our stores. We pay around \$6.00 per pound to Wild Idea. We receive the meat packaged in one pound portions, hard frozen and already labeled for retail sale. Our customers want this product because it's nutrition profile includes low cholesterol and higher amounts of other nutrients in meat from animals fed natural grasses. This meat also represents a sustainable approach to animal husbandry and the animals are free of residual antibiotics and hormones. Philosophically, our customers appreciate that these buffalo live a natural life.

We spend a great deal of effort educating our customers about these issues, so they can make a choice between \$1.99 a pound grain fed feedlot beef or \$7.50 a pound naturally raised buffalo. Notice that customers for this niche not only open their wallets to higher priced meat, but are happy to pay the premium for healthier meat raised in a sustainable manner. Our customers are not wealthy and are not just showing off; we market to the average working class family that is trying to eat healthy food to stay healthy themselves. By looking at all of the issues affecting the value of this meat relative to the price, however, we have closed the gap and created a robust market for Wild Idea.

Characteristics of the Wild Idea buffalo niche:

1. Educate customers on the physical and economic realities of meat production.
2. Educate customers about the comparative healthiness of different meat production methods and their external costs.
3. Re-set the expectations about the price of quality food, relative to the underlying cost of producing quality food.

4. Re-set the reason for choosing foods; move away from only taste and other gratification to the underlying nutritional value.
5. Re-set the need for quality protein at 4-6 ounces per meal, as an adjunct to vegetables, which keeps the portion cost affordable.

In the end, Wild Idea customers are paying not just for a healthy bison burger. They are paying the cost to keep an American ranching family on the land and financially secure, the cost to steward prairie land and buffalo herds sustainably, and the cost to keep animals healthy in their natural habitat.

Admittedly, creating a niche like this is not possible for everyone. It also seems the meat marketing agencies are overly focused on the price of meat at the expense of nutritional quality, and on the quantity of meat consumed in spite of broad consensus that 4 ounces per meal is adequate. The presence of high end luxury food markets pitching expensive meat as a premium snob product also undermines the production method/nutritional profile value proposition.

An upcoming article on Wild Idea is attached for reference.

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