

# Research Shows Ways To Improve Beef Sales

CHICAGO, Ill. — Cattlemen want to sell more beef — at a profit. A retail meat manager, however, wants to show a department profit, regardless of which meat he sells.

Can both businessmen, at opposite ends of the beef supply pipeline, get what they want? The answer is "yes," according to two beef checkoff-funded studies.

One study found retailers can increase sales and improve meat case profits by 4 percent if they keep their cases well stocked with a variety of beef cuts.

There are so many unknowns in the complex retail store process that meat managers often don't know which factors affect retail meat case profits, the study concluded.

"Many managers told us increased beef sales would not increase profits of the entire fresh meat category," said Sheila Cour-

ington, research project manager.

Courington, who is associate director of market research for the Meat Board, says the study tracked actual performance of 10 stores in two separate markets over three weeks. Movement of beef, veal, pork, lamb, chicken, and turkey was checked seven times a day to record the quantity of each item, the price per pound, price featuring and markdowns, and to note items out of stock.

The study found out-of-stocks, on average, exceeded 40 percent on 9 of the 39 beef cuts observed, but were maintained at less than 10 percent on only 5 beef cuts. The study also found when beef inventory is increased, gross margins in beef increase and overall fresh meat case gross margins increase.

"These results may surprise some managers," said Courington. "The study shows that, by increas-

ing beef sales by 10 percent, meat managers can increase their overall profits by 4.3 percent."

Another opportunity to increase beef sales may be to use case-ready meats, a second study has found. Preliminary information from the study, which is still under way, reveals that 1 in 4 consumers has tried case-ready products and 3 out of 4 consumers who try the

products are repeat purchasers.

Information already collected at the retail level includes interviews within 23 retail and wholesale companies. The study now is gathering consumer reactions in five market areas where case-ready beef products are offered. This portion of the study will include 2,000 in-store interviews, 500 follow-up telephone calls, and 5 focus groups.

Consumers say they like the consistent quality, tenderness, and extended shelf life of the freezer-ready, prepackaged beef products. More important, while there are several barriers to widespread acceptance of case-ready products, the study is finding that innovative merchandising and marketing can overcome most of these barriers, said Courington.

## \$1.25 Million To Supplement Checkoff Funding

DES MOINES, IOWA — The National Pork Board, at a regular meeting March 8 in Louisville, KY, appropriated \$1.25 million in supplemental producer checkoff funding for several projects.

The supplemental grants are in addition to the \$26.25 million already budgeted by the Pork

Board for 1990 programs to be implemented through state and national producer-run organizations.

Pork Board President Hilman Schroeder of Sauk City, WI, said the supplemental funding was being provided because hog prices since last fall have been much

stronger than initially projected, causing the board's reserve funds to build above levels viewed by the board as necessary.

A breakdown of the supplemental funding approved by the Pork Board at its March 8 meeting:

- The National Pork Producers Council (NPPC) will receive \$610,000 to add five additional television target markets to the present 32 metropolitan television markets that will air Pork — The Other White Meat® advertising this year. The additional funding will allow the message to reach an additional 16 million consumers.

- NPPC also will receive \$110,000 in supplemental producer checkoff funding to develop a non-commercial food service program by mid-year. The additional funds will be used to target 50 of the largest non-commercial food service accounts (hospitals, nursing homes, etc.), representing about 40% of the giant food-service industry.

- NPPC and the Pork Industry Group of the National Livestock and Meat Board will share \$200,000 in supplemental check-off funds for the dissemination of information to consumers, health professionals, and producers about new pork nutrient data expected later this year.

- NPPC, in association with the U.S. Meat Export Federation, will receive \$135,000 for additional U.S. pork promotion in the Orient and a study of the potential for U.S. pork sales in eastern and western Europe.

- NPPC will receive \$145,000 to fund additional research in the animal care, molecular biology, and environmental management areas, and for a producer and consumer information project in the animal welfare area.

- The Pork Industry Group will receive \$50,000 for additional work involving nutritional research.

## Northrup King Promotes 2

GOLDEN VALLEY, Minn. — David Thomas has been promoted from director of production to vice president of production for Northrup King's worldwide field crops division.

Thomas is responsible for all U.S. field crops production activities, and for providing production direction and support to the management of Northrup King's overseas affiliate companies.

Dr. Jim Mock has been named vice president of product management, field crops. Mock, previously vice president of field crops research, is responsible for organizing and managing Northrup King's new field crops product management group.

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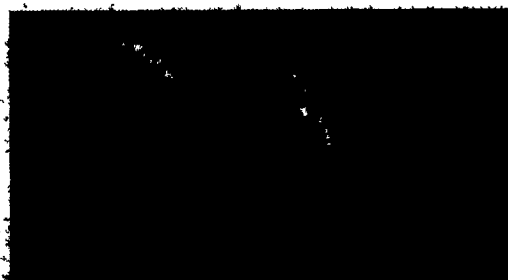
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