

CONSUMER BRIDGE

Packer talks transparency, trust and demand drivers.

by Steve Suther, Certified Angus Beef LLC

Beef packers bridge the gap between producers and consumers, but even “the largest packer in the world” is nothing without its suppliers, John Gerber said.

Stating the obvious to 200 cattlemen at the *Certified Angus Beef*® (CAB®) brand’s Feeding Quality Forum this summer in Sioux City, Iowa, the longtime procurement head for Tyson Fresh Meats set the tone. Every link in the supply chain — from ranch to consumer — has a role to play.

“We do billions of dollars of business on a handshake,” Gerber said. “This is the only industry

that can do that, and I hope that never changes.”

The best way to ensure those traditional building blocks of trust and loyalty are continued communication and collaboration, with an even greater effort at transparency, he noted, adding: “We’re going to be wide open.”

Relationships with suppliers met demand for “more CAB-type cattle” in just six months when a major retailer called for so much more in 2016 that the Tyson team first wondered if it would take two or three years, Gerber said.

“That ability to give consumers what they demand is important to all of us,” he said,

explaining why five of six company plants turned away from Holsteins, and bids are down for Select grade beef.

“Very few consumers want Selects anymore,” Gerber said.

Consumers talk

What they do want the whole world knows about in short order these days, thanks to technology, said Kevin Hueser, Tyson vice president of beef pricing.

Consumers have always

controlled purchasing decisions.

“Did they like the product — what they knew about it? Prior to 2010, they transferred that information word-of-mouth to a pretty small circle of friends,” Hueser said.

“As the seller, we controlled the product, made what we wanted and told them what we wanted them to know,” he added. “Well, what’s changed? Our relationship: The balance of power shifted toward consumers.”

They still control the buying decisions, but also user-generated information on platforms like Snapchat, Facebook and Pinterest.

“The amount of information they generate, whether they like it, don’t like it, the experience, have



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they heard something bad about it or something good about it — and don't forget most consumers are at least two generations removed from a farm," Hueser said. "They don't know where food comes from; they only know what they see on TV, and what they know is what they share."

Consumers do read labels, and they have demanded some ingredients or additives be listed.

"They want to know what's in the product they're consuming," he said. "As sellers, we still control the product or service, but we're catering to a much different consumer."

In terms of premium products, Hueser said those definitions are changing in consumer eyes, too. Marbling in beef may have been the most important trait decades ago, and it may be still. Now, premium beef means marbling plus information.

"It's not just about fancy or

expensive," he said. "What about the people who produce it, the people who sell it? What does it mean to me? What does it mean to them? How are the animals raised? Is the environment being taken into consideration?"

That's why Tyson continues to launch consumer-facing initiatives to reduce the supply chain's impact on the environment and water and to ensure humane animal care, Gerber and Hueser said. The company has pledged to reduce water usage 13% by 2020 and greenhouse gas emissions 30% by 2030.

Assuring consumers

By the first day of 2019, the Tyson supply chain will be 100% Beef Quality Assurance (BQA)-certified, they noted. A very large

customer's promise to its customers helped drive that initiative.

"We also need to do it because it is the right thing to

— "Very few consumers want Selects anymore."

— John Gerber



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"The definitions of premium products are changing in consumers' eyes. While marbling may have been the most important trait decades ago, information draws the premium for beef today."

— Kevin Hueser

do," Hueser said. "You've been in business a long time. You know mistreating animals is not profitable, nor is it morally right. Tell the story.

"Not everyone out there wants to see cattle production be successful," he continued. "Unless we're transparent, unless we talk about the good things we're doing and the way our product is raised, others will tell those stories, and we're going to lose that battle."

In August, Tyson became the first packer licensed with Kansas-based Progressive Beef LLC, which operates a feedyard program focused on cattle care, food safety and sustainability, all

USDA-audited. Hueser said the packer aims to purchase much of its beef through that channel as relationships grow.

"It's not going to happen in six months, or maybe even three years,

but we're going to get there," he said.

That forward-looking promise applies to the blockchain system of traceability and information sharing up and down the supply lines, too, he added.

"We need traceability to inform consumers and to protect our livelihood," Hueser said. "We have to get there." ■

Editor's note: Steve Suther is senior editor of producer communications for Certified Angus Beef LLC. The 2018 Feeding Quality Forum presented by CAB was cosponsored by Where Food Comes From, Roto-Mix, *Feedlot Magazine*, Tyson Foods, Intellibond, Zoetis and Diamond V. For more information, including meeting proceedings, visit www.feedingqualityforum.com.



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