

OUTLAW MEATS MARKETING PLAN



**Washington State
LaCrosse FFA Chapter
WA0149
2019**

Product Description/Client Status

Outlaw Meats is a fairly new business to the town of LaCrosse, and the owner, Daniel Broeckel, has worked for several meat shops around the area, cutting and wrapping throughout the past decade. Daniel has reopened the local meat shop in LaCrosse, after being closed for twenty years, in hopes of starting an operational business that brings revenue to the town and a farm-raised product to the table of local consumers. From the customer's point of view, Outlaw Meats provides a local, knowledgeable butcher who can process livestock for personal consumption while also allowing livestock producers opportunities to sell beef, pork, lamb, and goat to other consumers. This provides a competitive alternative to other local processors (Garfield Meats, Colfax Meats, C&L Lockers, and Heights Meat Market).

Market Analysis

Status in Current Market

Outlaw Meats is located in LaCrosse, Washington and is one of three privately owned butcher shops in Whitman County, although it is the newest to the area. Daniel worked to fix his current facilities and opened his doors in December of 2017. He hopes to provide a specialized service to customers, specifically livestock producers, in the rural area of Southeastern Washington. He also wants to bring farm-raised products to more tables in the area based on local consumer demands. Outlaw Meats will provide cut and wrap services for large livestock including beef, pork, lamb, and goat. Being a new business, current marketing efforts have been minimal.

Current Industry Trends

There is an immediate opportunity for Outlaw Meats in the meat processing industry as shown by current industry trends. Local quality is important for many people, according to recent studies, which means consumers tend to prefer locally packaged and processed meat. In fact, many people consider location, quality and consistency when looking for a new butcher shop. Customers want meat that has been raised locally and that has traveled the shortest possible distance from "gate to plate"¹. Locally, 53.9% of people prefer on-farm slaughter with provided transportation from the slaughter site to butcher shop allowing for more seamless processing. Nationwide, trends of meat packaging show a demand for smaller packaging size, new packaging materials, and an increase of awareness towards environmental issues². However, some of the factors that are restraining the market growth of the meat packing industry are environmental issues such as recyclability and sustainability which also couples with hygienic packaging and a rising concern regarding health³.

The USDA projects that production of beef and pork will expand steadily between 2016 and 2025⁴. With this, beef prices soared 50% between 2006 and 2016. Competing meats, like chicken and pork, rose in price, too, but not as significantly⁵. After the cattle shortage of 2014, the beef industry continues to expand. In 2016, beef production alone was up 5 percent while pork was up 2 percent. As of September of 2018, beef exports were up over 13% from the previous year.⁶ However, pork exports are expected to decline this year. It is also projected by the USDA that the average American will eat 222.2 pounds of red meat which will surpass the previous U.S. record from 2004.⁷

Buyer Profile and Behavior

With Outlaw Meats being a new business, primary and secondary research were used to determine the roles, behavior, and decision-making process of the typical cut and wrap buyer. It is important to note that only 5% of American shoppers buy their meat at a cut and wrap/butcher shop making it a unique niche market⁸. However, of the typical cut and wrap customer in the area, 56.8% are livestock

¹ Rousseau, O. (2015, December 9). *Six butchery trends to watch in 2016*. Retrieved from Global Meat News website: <https://www.globalmeatnews.com/Article/2015/12/09/Six-butchery-trends-to-watch-in-2016>

² Washington Department of Agriculture. (n.d.). *Summary of meat processing issues in Washington State*. Retrieved from Washington Department of Agriculture website: <https://agr.wa.gov/FoF/docs/MeatProcessing.pdf>

³ Future Market Insights. (2014). *Meat packaging market: Global industry analysis and opportunity assessment 2015-2025*. Retrieved from <https://www.futuremarketinsights.com/reports/meat-packaging-market>

⁴ Pellegrini, M. (2016, December 6). 2017 meat and poultry industry economic outlook: Focus on growth. *Independent Processor*, Retrieved from <https://www.provisioneronline.com/articles/104130-meat-and-poultry-industry-economic-outlook-focus-on-growth>

⁵ Meyers, Z. (2017, July 3). Beef is back on the grill and its sales are heating up, too. *USA Today*. Retrieved from <https://www.usatoday.com/story/money/2017/07/03/americans-eat-more-beef-and-meat-trend-thats-expected-continue/435331001/>

⁶ Peel, D. (2018, November 30). Beef demand is key and less certain in 2019. *Drovers*, Retrieved from <https://www.drovers.com/article/beef-demand-key-and-less-certain-2019>

⁷ Durisin, M. and Singh, S.D. (2018, January 2). *Americans' meat consumption set to hit a record in 2018*. Retrieved from The Seattle Times website: <https://www.seattletimes.com/business/americans-meat-consumption-set-to-hit-a-record-in-2018/>

⁸ Gyton, G. (2014, December 18). Retail analysis: USA. Retrieved from <https://www.globalmeatnews.com/Article/2014/12/18/A-focus-on-the-retail-meat-market-in-the-USA>

producers processing meat for personal consumption. 29.9% of these buyers in Southeastern Washington found price to be the most important factor when choosing a cut and wrap shop in the area. While 67.9% of buyers are processing cattle for meat consumption. In addition, 81% prefer to communicate with their butcher over the phone.

Competition

Major competition for Outlaw Meats would include the following cut and wrap shops in the area:

Name:	Location:	Slaughter Fee:	Cut/Wrap Fee:	Cooler Capacity:	Wild Game:
Garfield Meat Locker	Garfield, WA	Beef: \$100 Pork: \$70 Lamb/Goats: \$85	\$0.70/lb	45 carcasses	No
Colfax Meat Packing Plant	Colfax, WA	Beef: \$100 Pork: \$70 Lamb/Goats: \$45	\$0.60/lb	35 carcasses	Yes
C & L Co.	Moscow, ID	Beef: \$85 (\$125 pick-up) Pork: \$55 (\$70 p/u) Lamb/Goats: \$45 (\$60 p/u)	\$0.60/lb	63 carcasses	Yes
Heights Meats Market	Clarkston, WA	Slaughter arranged separately	\$0.60/lb	40 carcasses	Hang, Not cut

S.W.O.T. ANALYSIS		
	Outlaw Meats	Colfax Meat Packing Plant
Strengths	- Locally based in ranching community - Reasoning: Knows area livestock producers - Roots in the area - Reasoning: Established relationship with customers - Sole business of owner - Reasoning: Focused on staying current on industry trends	- Cuts and wraps wild game - Reasoning: Offers additional service - Larger, more established business - Reasoning: Well known in area - Run by most experienced processor in Eastern Washington - Reasoning: Devoted area customers
Weaknesses	- New business - Reasoning: Not yet established - Location - Reasoning: Smaller potential customer base - Less business experience - Reasoning: Lacks management experience of running a business	- Has no display case - Reasoning: Allow for more sales - Does not deliver - Reasoning: Customer convenience - Difficult to contact - Reasoning: Customer convenience
Opportunities	- Display case - Reasoning: More opportunity for sales - Delivers finished product - Reasoning: Customer convenience - Authorized Elenbaas feed distributor - Reasoning: Diversify business	- On farm kills - Reasoning: Customer convenience - Install a retail counter - Reasoning: Diversifies business - Deliver finished product - Reasoning: Additional service
Threats	- Larger more established businesses in the area - Reasoning: Competition from other local shops - Potential decrease in county population - Reasoning: May cause smaller customer base	- Lower pricing from competition - Reasoning: Could draw away current customers - Competition from new, nearby butcher shops - Reasoning: Draw away new customers

Primary Research Results

A better understanding of the cut and wrap industry and its current business environment was determined through a cut and wrap shop client survey. Surveys were conducted online and were distributed at the annual Palouse Empire Fair Junior Livestock Sale using the

qualifying question of, “Have you had meat processed at a cut and wrap facility in the last year?” Of 109 surveys received back (see Appendix A), results showed that of the local clients of cut and wrap shops:

- 29.9% consider price to be the most important factor when selecting a processing facility
- 32.9% are between that ages of 20-29
- 47.4% have 1-2 head processed annually
- 53.9% of people prefer to have their animals slaughtered on farm with the butcher providing transportation
- 54.5% prefer to have their meat wrapped in white butcher paper
- 56.8% are livestock producers processing animals for personal consumption
- 60.8% are female
- 67.9% have beef processed
- 75.7% are located within 50 miles of LaCrosse
- 81% prefer to communicate with the processing facility over the phone

Business Proposal

Mission Statement

The mission statement below was developed to show the aims and purposes of Outlaw Meats and to convey that vision to customers and potential employees.

Outlaw Meats is a specialty cut and wrap business that strives to bring revenue back into the small town of LaCrosse while bringing a local, farm-raised, quality product that is cut and wrapped to the table to satisfy their customers.

Key Planning Assumptions

- 42% of marketers report that Facebook is critical or important to their business⁹. (Validates use of Facebook as promotional tool)
- A survey conducted of individuals responsible for meat purchasing in the food distribution system found that 69% believe there will be an increased demand for local meat over the next three years¹⁰. (Validates increase in product processed annually over the next three years)
- Over the past 25 years, beef production has held relatively steady¹¹. (Validates beef processing done annually)

Goals

S.M.A.R.T. Goals have been established for both the short-term and long-term of Outlaw Meats

<i>Short-Term Goals</i>			
	Head Butchered	Additional Net Profit	Additional Customers
2020	275 Head of Beef 165 Head of Pork 25 Head of Lamb 10 Head of Goat	\$4,000	20 New Customers
2021	300 Head of Beef 180 Head of Pork 30 Head of Lamb 15 Head of Goat	\$25,000	20 New Customers
2022	330 Head of Beef 200 Head of Pork 35 Head of Lamb 20 Head of Goat	\$50,000	20 New Customers
<i>Long-Term Goal</i>			
2025	Generate \$100,000 net profit allowing the business to comfortably add an additional full-time employee.		

⁹ Pellegrini, M. (2016, December 6). 2017 meat and poultry industry economic outlook: Focus on growth. *Independent Processor*, Retrieved from <https://www.provisioneronline.com/articles/104130-meat-and-poultry-industry-economic-outlook-focus-on-growth>

¹⁰ Barry, J., Pirog, R., & Torres, H. (n.d.). *Before we seek change, is there a demand for local meat?*. Retrieved from Michigan State University website: https://www.canr.msu.edu/foodsystems/uploads/files/Demand_for_Local_Meat_Review.pdf

¹¹ National Agricultural Statistics Service. (2016, October 27). *Overview of the United States slaughter industry*. Retrieved from United States Department of Agriculture website: <http://usda.mannlib.cornell.edu/usda/current/SlauOverview/SlauOverview-10-27-2016.pdf>

Target Market

Through analyzing survey results and current industry trends, it is recommended to target the following groups in order to reach out and bring in more customers and income annually, as Outlaw Meats will be able to meet the wants and needs of these consumers:

Primary Target Market:

- Livestock producers processing livestock for personal consumption or resale
 - Who produce 1-2 head of cattle each year
 - Who live 50 miles from LaCrosse

Secondary Target Market:

- 4-H and FFA livestock supporters
 - Who purchase junior livestock sale animals annually

Strategies and Action Plan

Product

Outlaw Meats is a butcher shop that is new to the area. The owner and operator, Daniel Broeckel, provides a specialty service of custom cutting and wrapping a variety of livestock that include beef, pork, lambs, and goats to the customer's satisfaction. His services include wrapping in traditional white butcher paper as well as curing and smoking pork products.

Price

As the cut and wrap business is in high demand in this area, it is suggested to offer a price that is competitive with other cut and wrap facilities nearby.

	Beef/Pork Slaughter	Cut and Wrap (Beef/Pork)	Cured Ham and Bacon	Lamb/ Goats (Slaughter+Cut/Wrap)
Outlaw Meats	\$85/head	\$0.70/lb	\$1.00/lb	\$100/head
Area Competitors	\$70/head-\$100/head	\$.65/lb-\$.72/lb	\$1.00/lb-\$1.25/lb	\$90/head-\$125/head

Place

Outlaw Meats is located in the small town of LaCrosse, Washington, conveniently placed for producers and consumers in Whitman, Adams, and Garfield Counties and offers pickup services for those within 50 miles of the shop. Being a new business in this welcoming community, word has spread fast about the meat shop opening, and it is already thriving. A direct marketing channel will be the primary means of sales as they will be in contact with the customer directly for their cut and wrap services. Indirect marketing may also occur with specific producers, depending on demand.

Promotion

Currently, advertising has been primarily by word of mouth through the community. However, further promotions we recommend to make the target market aware of Outlaw Meats are in the form of print advertisements, electronic and social media, public relations and premiums.

Print Advertisements

Whitman County Gazette: A print advertisement will be placed in the *Whitman County Gazette* to draw customers in Whitman County. This would be a 1x2 inch black and white advertisement every week at a cost of \$15 per week. *Potential Market Reach: 3,600 subscribers*

East Washingtonian: To reach those in the target market that are in adjacent Garfield County, an advertisement should be placed in the *East Washingtonian* newspaper. Current advertisement costs for a 1-space column wide and 1 inch tall advertisement would be \$7.50 per week. *Potential Market Reach: 500 subscribers*

Electronic Media

Website/Email: Utilizing squarespace.com, a website will be developed that provides a detailed description of the business, images that will ensure customers that they receive a quality cut and wrapped product, information for customers (including a cutting instruction form), and would provide a way to be contacted. The web address would be www.laxoutlawmeats.com. An email account associated with the website will be developed for the sole purpose of emailing customers and sending deals and sales out, as well as allowing the customer to contact the business. In addition, Square Space would provide search

engine optimization for the website. The basic Square Space business package would cost \$18/month. *Potential Market Reach: 59,898 for Whitman, Adams, and Garfield County residents (based on 86% internet usage rate in Washington State)*

Social Media

Facebook: A Facebook account would be created allowing a way to connect with customers and post pictures of Outlaw Meats. In order to keep customers informed, prices and promotions would be posted to the page. This would cost nothing as it is a free online service. In addition, it is recommended to create a click advertisement on Facebook. This would cost \$0.28 for each click and it is suggested to budget for 50 clicks per month in year one, 60 clicks a month in year two and 70 clicks a month in year three. Each click will link the potential customers to the Outlaw Meats Facebook page. *Potential Market Reach: 40,397 for Whitman, Adams, and Garfield County residents (based on 58% Facebook penetration rate in Washington State)*

Twitter: Twitter will be used to post deals and specials and provide information about Outlaw Meats. Also, short videos of business activities would be posted. This would have zero cost associated with it as it would be self ran. *Potential Market Reach: 16,716 for Whitman, Adams, and Garfield County residents (based on 24% Twitter penetration rate in Washington State)*

Public Relations

Junior Livestock Show of Spokane: Outlaw Meats would sponsor the annual Junior Livestock Show of Spokane meats evaluation competition that is held in Spokane, Washington. This would entail a donation of \$500 to the competition for product and supplies. In return, the show will put up a sign for Outlaw Meats at the contest as well as at the livestock sale. *Potential Market Reach: 237 competitors in meats and livestock competition*

Junior Livestock Sale Animal Purchase: Outlaw Meats should purchase one head per species (one species at each show) at the Palouse Empire Fair, Junior Livestock Show of Spokane, Garfield County Fair, and Wheatland Community Fair. It is recommended to purchase from those exhibitors who reside within the target market area. *Potential Market Reach: 478 meat animal buyers.*

Premiums

Hats: As a premium, it is recommended to give customers hats when they have their products slaughtered, cut, and wrapped for the first time through Outlaw Meats. This would promote Outlaw Meats through people seeing the hats in public. Initially, it is also recommended to distribute hats to existing customers as they return for business. This would cost you \$10-\$15 per hat. *Potential Market Reach: 60 new customers at end of year three in addition to those who see customers in the hats.*

Pens: Pens would be purchased to distribute at the shop to current customers. They could also be distributed for use at junior livestock sales in the area in order to reach potential new customers. Pens would be black with the red Outlaw Meats logo and the business phone number. *Potential Market Reach: 360 customers customers at end of year three in addition each junior livestock sales attendants and exhibitors.*

Packaging Labels: For customers who have more than ten head of cattle slaughtered a year, Outlaw Meats will offer labels with the customer's personal brand on them. These will be placed on all packages processed by Outlaw Meats for the customer. Price for 1350 stickers would be \$157.50. It is anticipated that by the end of the marketing plan five ranches will be utilizing this service. *Potential Market Reach: 177 beef cattle ranches with sales in Whitman, Garfield, and Adams County.*

Position

Unique Selling Position: Outlaw Meats, being a new business, is on the rise to success by custom cutting and wrapping meat to the customer's satisfaction. To reach out to the target market the USP, or unique selling position, is that Outlaw Meats can provide a quality, specialty service in the rural area that best combines a knowledgeable, experienced processor who can process product in an efficient, timely manner that satisfies customers. To convey the purpose of Outlaw Meats to customers, the following positioning statement is suggested:

"Making the cut for quality products"

Budget

The budget developed focuses on the **additional** revenue and expenses generated by this marketing plan to accurately show its impact. Costs that were present prior to implementation of the marketing plan were not included. No owner salary was included as any profit will be taken home or can be reinvested in the business depending on personal owner preference.

	2020	2021	2022
Revenue			
Beef	\$17,025	\$34,050	\$54,480
Pork	\$3,465	\$6,930	\$11,550
Lamb	\$500	\$1,000	\$2,000
Goat	\$200	\$700	\$1,200
TOTAL REVENUE	\$21,190	\$42,680	\$69,230
Expenses			
<i>Production Costs</i>			
Transportation	\$270	\$539	\$809
Processing Supplies	\$336	\$669	\$1,073
Slaughter Supplies	\$12	\$24	\$48
Temp. Employee Costs	\$972	\$1,008	\$1,044
<i>Promotional costs</i>	\$11,672	\$7,748	\$8,337
<i>Other Expenses</i>			
Insurance/Fees/Permits	\$2,000	\$2,000	\$2,000
Misc Expenses	\$1,500	\$1,500	\$1,500
TOTAL EXPENSES	\$16,761	\$13,488	\$14,810
Additional Net Profit	\$4,429	\$29,192	\$54,420
ROI	26%	216%	367%

Promotional Costs	2020	2021	2022
Facebook	\$168	\$201	\$235
Whitman Co. Gazette	\$780	\$780	\$780
East Washingtonian	\$390	\$390	\$390
Website	\$216	\$216	\$216
Jr Show	\$2,750	\$2,863	\$2,981
Palouse Empire Fair	\$600	\$630	\$662
Garfield Co. Fair	\$900	\$945	\$993
Wheatland Community Fair	\$800	\$840	\$882
Packaging Labels	\$158	\$473	\$788
Premium Hats	\$4,800	\$300	\$300
Premium Pens	\$110	\$110	\$110
TOTAL	\$11,672	\$7,748	\$8,337

Financial Return

With implementation of this marketing plan, Outlaw Meats' ROI will increase **341%** over the three-year period.

Evaluation

Benchmarks

To determine if Outlaw Meats has met its marketing goals, specific monitored areas will be assessed and compared to expected results at the end of each fiscal year. The following steps will be taken to evaluate success of the marketing plan:

- Monitor annual head being butchered (*Short-Term Goal 1*)- Determine the amount of head being butchered and if it has met the annual goals.
- Monitor financial records (*Short-Term Goal-2*) - Determine net profit each year to see if it has met the second short-term goal.
- Establish a customer database (*Short-Term Goal-3*) - Determine the amount of new customers gained annually and if it has met the final short-term goal.
- Additional monitoring of financial records (*Long-Term Goal*)- If after evaluating financial records, this goal is met, hire an employee in order to meet the long-term goal of this marketing plan.

Alternative Strategies

Contingency Plan

A contingency plan has been developed for Outlaw Meats in case recommended actions do not go as anticipated. It is suggested to:

- Make changes in price in order to compete with competitors
- Adjust butchering practices to meet more customers' demands
- Add a retail store in the shop for specialty meats

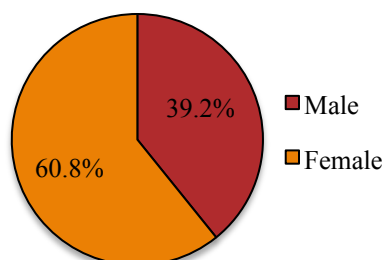
Future Action

Following the successful implementation of this marketing plan, further action should be taken:

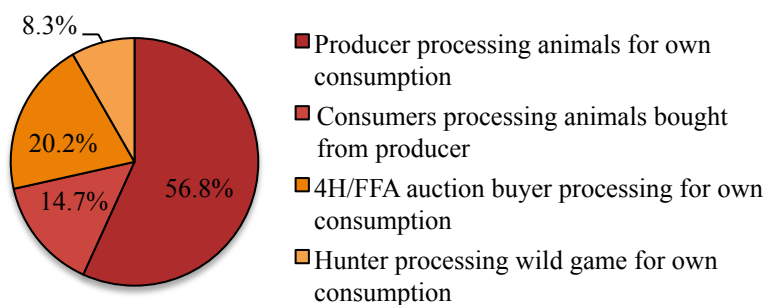
- Add a display case for retail sales
- Expand cooler capacity through purchase of an additional cooler
- Deliver finished product to customers

Appendix A: Complete Survey Results

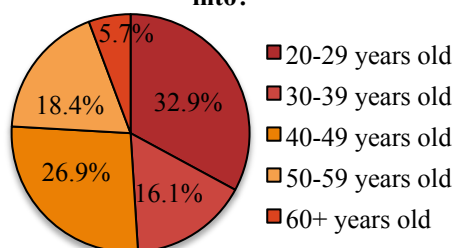
What is Your Gender?



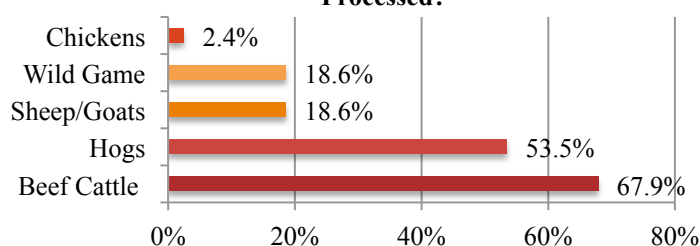
Which of the Following Best Describes You?



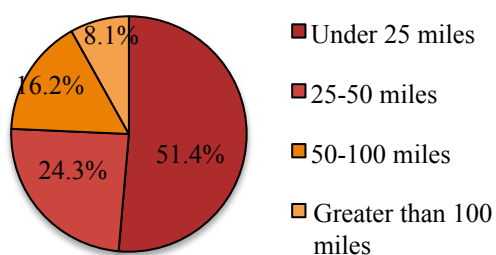
Which Age Range do You Fall into?



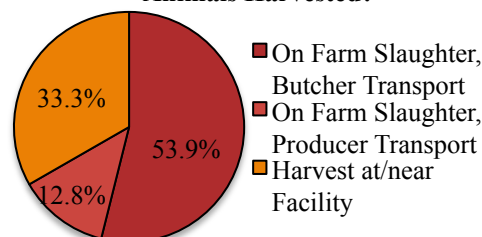
What Species of Livestock do You Typically Have Processed?



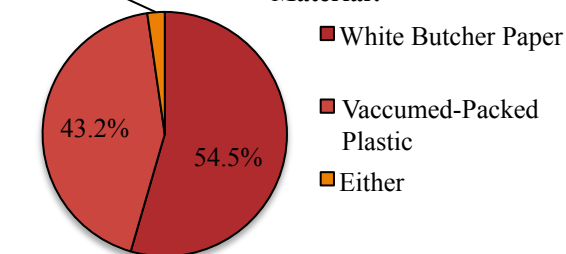
How Close to Outlaw Meats are You Located?



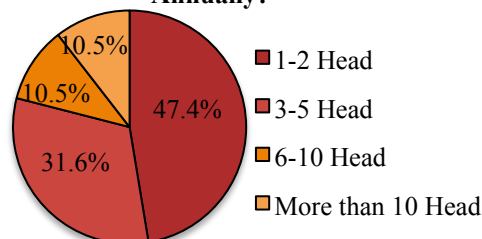
Where Would You Prefer Your Animals Harvested?



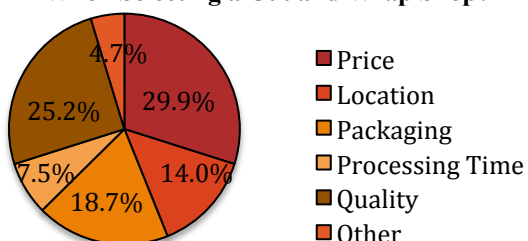
What is Your Preferred Packaging Material?



How Many Head do You Process Annually?



What do You Consider to be the Most Important Factor When Selecting a Cut and Wrap Shop?



How Would You Like to Communicate with a Cut and Wrap Shop?

