

## Title “Bison Compete Well for Limited Food Dollars”

One of the best reasons to attend our conferences is the chance to share ideas and concerns. On the drive home from the conference a couple of comments from other growers kept running through my mind. Those comments lead me to think that our experiences with meat sales here at the Snake River Farm may be of interest to you.

We sell grass-fed bison, grass-fed beef and pastured pork direct to consumers. That business is all by the quarter and the half. The reason I think our sales experience may interest you is that our customers have choices. They can buy our pork, which is relatively low priced, by the pound, . They can buy our beef, which is more expensive. Or they can buy bison, which we sell for 50% more than beef.

In order to make the customer choices meaningful to you, I should give you more information about our customers and our business segment. We sell grass-fed, so most prospective customers come to us looking for a special product. We find that if they want grass-fed, they are prepared to pay more. They also generally care about how their meat is raised, what it is fed, how it lives and even how it dies. We try to fulfill all those expectations.

The data I provide here is not from a large sample. The Snake River Farm is not a big operation. In 2010, we will sell 25 beef animals, 40 hogs and 16 bison. Most of these animals are in fact already sold but will not be harvested until fall. I could sell a few more bison but I do not have enough.

Here’s the story. Most customers find us on the Minnesota Grown website, our MnBA website or one of a few others such as Localharvest and Eatwild. We don’t advertise otherwise except for two small wooden signs along our county road. Most customers come to us looking for beef. That makes sense. A lot more people eat beef than bison.

Seventy five percent of the potential customers are seeking grass-fed beef. Twenty-five percent are looking for bison. Almost nobody calls looking for pork. About one third of the people who contact us become customers. Our year-to-year customer retention rate is around 90%.

Based on the above you would expect that we would sell three beef for every bison and very few hogs. That is not the way it works out.

I must confess that I favor bison in promotions. That may skew things a little. We do two mailings to customers each year and I include bison promotional material in those mailings no matter what the customer is buying.

So here is the bottom line. If they contact us looking for grass-fed beef, I sell them the beef. But over time there is a steady migration from beef to bison. A typical scenario might go like this. A customer buys our grass-fed beef and loves it. The next year they want more meat so they decide to buy a quarter of beef and try a quarter of bison. They are hooked. On the other hand, I do not have a single example of a customer moving from bison to beef, even though we charge more than 50% more for bison.

By the way, I don’t promote hogs to our customers and virtually no one makes the initial contact looking for pastured pork. Nevertheless, 75% of our customers buy ½ hog. That usually happens the second or third year they buy meat from us. It is a free sale like something people buy from the display rack at the checkout lane. Wal-Mart has that part right. Once folks decide they like the store, they want to know what else they can buy. Customers are continually asking for chickens but I don’t think I can bring myself to do it. I kind of see myself as a guy who raises bison and gentles mustangs. Chicken farmer? I can’t get comfortable with that.

In the long run, I think bison will fit in as another choice. A healthy choice of course. Most Americans eat chicken, pork, turkey and beef and would not consider eliminating any one of those. If bison becomes a choice that equals even 10% of beef sales, it will take decades to build a cowherd to fill that demand. I think that time is coming.

I know bison can compete.

Best regards, Tom Barthel