

Petite Beef by Headwater Farms:  
Marketing Beef Using a Land Stewardship and Clean Water Label  
Neil Gillies, Cacapon Institute, High View, WV  
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## **Introduction**

Unprofitable family farms in West Virginia's Potomac Headwaters region are being sold for development. The pastoral community and rural lifestyle they create are at risk. Farmers are also confronted with community concerns over the environmental impacts of farming, but many have little disposable income to apply or little inclination toward improving their environmental management.

A partnership of farmers, an environmental group, the extension service, a gourmet chef, a county economic development agency and the USDA-NRCS is working to develop a profitable niche market centered around sustaining the land and protecting water quality. Funded by NESARE in 2000, the program's mission is to make environmentally progressive farm management a sound business decision that increases farm make profits by catalyzing the development of a local, certified, premium market for rotationally grazed, naturally lean, senior calves raised without hormones and antibiotics on land using streamside Best Management Practices. Market development is linked to members of the watershed community who value clean environment, rural lifestyles, healthful food and the consumption of humanely raised animals.

This is a progress report on a program that officially began in May 2000.

## **Discussion**

Many non-farm residents of the Potomac watershed have a close attachment to both the ideal of the family farm and the rural landscape supported by the small family farm; they fear this way of life will disappear and feel powerless to stop the process. At the same time, many harbor concerns over negative impacts from farming on the environment, which can affect their quality of life, property values, and tourism.

In 1997, Cacapon Institute (CI, a science-based non-profit organization) received a seed grant from the WV Division of Environmental Protection's Stream Partners program to investigate the potential of marketing beef raised in a "river friendly" manner to people with a vested interest in clean water -- primarily riverfront property owners. At about the same time, the WVU Extension Service began promoting the cattle pool concept as a way for farmers to obtain higher prices for their cattle. The Hampshire County Feeder Calf Producers Association (HCF CPA) was the first cattle pool to result from these efforts. Over several years, the HCF CPA has developed a reputation for producing high quality animals that, as a result, receive above average prices in the traditional beef market.

Working together, the three groups developed a program that merged elements of the "river friendly beef" and cattle pool programs. They were successful in obtaining a two-year grant from the USDA-NE Sustainable Agriculture Research and Education Program in May 2000. Other partners in this program included Gourmet Central (a specialty food producer),

WV University's Animal Sciences department, the Hampshire County Development Authority and the USDA-NRCS. Key elements of this program:

- produce a new beef product -- senior calves weighing 750 pounds -- that offers specific agronomic benefits to small farmers. The product name – Petite Beef – derives from using this size animal.
- produce naturally lean beef free of added antibiotics and hormones.
- sell regionally with all proceeds going to the participating farmers.
- foster sustainable agricultural management methods that protect the environment, such as rotational grazing and stream-side protection.
- develop a recipe book specifically for this non-traditional beef product.
- market the product to watershed community members with a specific interest in water quality and open space issues.

Overall, this project was designed to develop a new, value added niche market for farmers, with added “values” ranging from nutrition and health (lean meat, no hormones, no antibiotics), environment (protecting streams, preserving landscapes) and social (preserving family farms).

Most cattle farmers in this region produce cattle for the feeder calf market and lack the resources to raise many animals to maturity, one of the reasons for focusing this project on senior calves instead of a larger, more traditional animal. In addition, harvesting calves before they begin to put on significant amounts of fat produces a naturally lean product. The post-weaning period during which the animals are on pasture with a grain supplement occurs during the period of most rapid gain in lean muscle mass per pound of grain (for calves with good genetics, roughly 1 lb of gain to 4 lbs feed is anticipated: National Research Council, 1984). The decision to grow animals for this program without using added hormones and antibiotics was market driven, as it is clear that many consumers are concerned with chemical residues.

The environmental components of this project focus on a rotational grazing program and protection of the river corridor. Rayburn (1991) demonstrated that a rotational grazing program produced mixed grasses and legume forage conditions that, when properly supplemented, met the nutritional needs of high performance dairy cows -- more than sufficient for calf production. High quality pasture also allows weaned calves to be backgrounded with lower cost grain supplements an important component of reducing input costs. In addition, well-managed rotational grazing systems provide an environmental benefit by preventing overgrazing and preserving topsoil, thereby reducing erosion of the land and the resulting siltation of rivers. (Paine, 1997)

Stream protection issues were problematic for this group, as they are for many farmers. The riparian corridor (the area of land beside a stream) is vital to a river's health. A well-vegetated riparia reduces the flow of pollutants, like sediment, fertilizer and bacteria, from the land into the river. Prolonged grazing by livestock can destroy riparian vegetation needed to filter pollutants from storm runoff; it also breaks down riverbanks – making them much more susceptible to erosion. The partners agreed up front that streamside land management practices would be consistent with USDA-NRCS managed grazing Best Management Practices (BMPs).

We decided on a stepwise process for development and implementation of a stream protection protocol that would take several years. Customers were a key component of this process. Actual implementation of stream protection practices was designed to hinge on marketplace results demonstrating that people are willing to support these practices with their dollars.

The NRCS agreed to use our program as a demonstration project for riparian managed grazing protocols, which either exclude or greatly reduce livestock access to streams. A combination of fencing and rotational grazing are used to limit access to streams, with grazing in riparian pasture strictly limited in duration (3 days/28 days), season (dry), and ground condition (must be well vegetated) to minimize impacts. Where possible, alternative water sources are developed to provide livestock with a source of clean water away from the river.

Senior calf meat requires special instructions for preparation, primarily because it is leaner than traditional beef. One of the project partners, Gourmet Central (Romney, WV) developed recipes specifically for this product. Those recipes, and the “story” of Petite Beef, were bound into a recipe book that was sent out with orders.

Initial sales efforts utilized direct mail focused on targeted groups, initially CI’s membership, the membership of another river advocacy organization, and a test mailing to members of the community who were not members of either group. Taste-testing events were held in support of these mailings. The results of this first mailing indicated that sales depended on the credibility of CI with its members, and the reputation of CI in the conservation community as an honest broker. Approximately 10% of CI’s members and 3% of the other river organization’s members purchased beef; both of these were very good results in the world of direct marketing. These results were obtained despite the fact that we made it very difficult for the first customers. They had to pay well in advance of receiving their product. At the beginning, customers had to pick up their order because we couldn’t ship the product -- and many had to drive several hours to do it. It was a new product that many had not tasted. And we wanted a premium price for it.

No orders were obtained from the first mailing to the community at large. Later efforts included ads in local papers, a paper in a larger city to the east, and Washington DC; the results from these efforts were disappointing. They were also instructive. It appears that, until substantial name recognition is realized in the marketplace, direct appeals from a credible organization to targeted audiences will be the most effective way to sell this product on the retail market.

Our sales goal in the first year, which is now complete, was to generate 50 customers. We received 60 orders in the first five months and had accumulated 107 orders by June of 2001, with eleven repeat customers. Sales were almost evenly divided between people from WV and people with VA/MD/DC addresses. Conversations with customers reveal a real excitement at being involved in this program. We sent a questionnaire to the first 60 customers and received 33 responses. Key results from that survey are provided in Table 1. These results indicate that this program in its entirety makes sense to our customers, and shows a strong synergy between the various elements of the Petite Beef by Headwater Farms “story.”

It would be a mistake to see this program as simply a marketing gimmick to obtain more “bottom dollars” for farmers. It is equally about changing farming practices and attitudes. As a science based environmental organization with a focus on rivers, Cacapon Institute’s mission is to keep rivers clean. The Institute’s own research, and the scientific literature, indicates that a well-managed, grass-based agricultural production system reduces agricultural impacts on water quality when compared to a more traditional mix of row crop and grass. CI’s goal in this project is to make the Headwater Farms approach the dominant model for agriculture in the Potomac Headwaters region. In order to make this happen, acceptance by mainstream farmers is essential. There will always be farmers on the “fringe” who aggressively seek out new practices, and the exceptional few who mix marketing acumen with progressive farming. The farmers at the core

of the Headwater Farms project are traditional, mainstream farmers, with many farms dating to before the Civil War. Changing practices among this group will have the greatest overall impact on farming in our region.

Table 1. Results of survey of first 60 Petite Beef customers. Thirty-three out of sixty responded to the request for information. If they did not “check” a response on the form, no response was assumed.

What “elements” of the Petite Beef by Headwater Farms program are important to you?	Yes	No	Which are most important?
Low fat?	92%	8%	4%
No added hormones and antibiotics?	100%	0%	17%
Grass fed?	100%	0%	0%
Promote sustainable farming practices?	100%	0%	26%
Help support local, family farms?	100%	0%	26%
River friendly?	100%	0%	22%
Preserve open space?	100%	0%	4%
Does price reflect the quality and environmental benefits of the product?	91%	9%	n.a.
Will you reorder?	91%	9%	n.a.

### Conclusion

The first year’s results indicate that the Petite Beef by Headwater Farms concept

- can be successfully marketed to environmental conservation groups, the health conscious, and advocates of family farms..
- there is strong correlation between attitudes over nutrition and health, the environment and preserving family farms, and finally
- promoting the consumption of this locally produced beef can engage the support of the watershed’s non-farm community in both the survival of the family farm and in the quality of the area’s rivers through progressive market-driven change.

It doesn't hurt that the customers love the product. As one customer said: "The flavor is spectacular! It’s the wonderful beef of my childhood."

### References

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**Cacapon Institute**, Rt. 1 Box 326, High View, WV 26808. (304)856-1385  
[pcrel@mountain.net](mailto:pcrel@mountain.net) [www.cacaponinstitute.org](http://www.cacaponinstitute.org)