

Getting Paid For Value

By Brittney Livingston

In these times of uncertainty, consumers are becoming more and more cautious and aware of where their food is coming from. They demand high quality, safe food that is both affordable and healthy. They also have a growing desire to buy local product. Consumers are more environmentally aware and are concerned with the effect that farming practices have, from pesticides and fertilizers to manure storage and treatment of animals. At the same time, producers are looking to find an edge in a rapidly changing industry. Feed costs are up, the dollar has been unpredictable and changing consumer demands have created a very challenging time for beef producers across all sectors.

In response to this, some beef value chains have started in order to help bring consumers and producers together in the quest for a safe, healthy product in a way that rewards value. Value chains are not new to the agricultural world, but represent a new way of doing business in the beef industry. The beginnings of a value chain involve two or more sectors setting goals and sharing information to help one another attain those goals. Value chains in Ontario to date are at different stages of development. Some are just in the planning stages, while others have begun operation and are moving product and information across sectors.

The creation of these chains allow producers who are focused on quality be rewarded for the extra effort that they are willing to put into their product. These producers know that their product is worth more and they want to be able to market it that way. Before creating a chain producers should identify what differentiates their product from that of others. It could be quality, taste or simply the customer's experience of buying and cooking the beef. It is important to tell your story as you try to market your beef. As consumers become aware of your particular story, they will be more willing to remain loyal to your brand of beef.

It is true that there have been tough times for value chains over the past year, some have slowly grown and continued production while other have succumbed to the challenges of starting a new way of doing business. What is it that makes a value chain successful? Do your homework to insure that your operation will fit with the value chain over the long haul. As producers you may want to jump in whole-heartedly but it is important to realize that you may not be able to market you entire calf crop through a value chain in the first year. As time goes on and your brand becomes more trusted and recognizable, you will be able to sell more and more meat through your chain. Trust and honesty play a big role to ensure that product is consistent and of high quality. Competitive pricing allows everyone to reap the rewards however pricing must still allow the chain to sell the meat competitively at the retail level. Commitment to the value chain will ensure that producers do not abandon ship at times when live prices may be higher than what the value chain can offer. Management is certainly one issue that can make or break a chain. It is important that producers get the appropriate feedback and in a timely manner to ensure that they can make management decisions based on the performance of their cattle, whether that be on the rail or live. Depending on the size of

the value chain the sharing of this information can be quite difficult, especially if producers are located throughout Ontario.

BIO recognises the challenges that producers face and are here to help producers change their business to meet a new reality, including becoming involved in value chains. We have a list of existing and emerging value chains so that we can identify the information needs of these chains. Our focus is on improving the cross sector flow of information so that every member of the chain is knowledgeable and aware of the quality of product they are producing. For example, cow-calf producers need information on the carcasses of their calves while feedlot operators need to know the genetics of the animals that did well in order to be able to source more of the same.

We have tools to help you manage information and meet targets. Information includes age verification, genetic merit for a variety of traits, results of DNA analysis, management information and carcass data. We can facilitate the flow of information through the different sectors of a value chain, connecting all relevant information on each animal from pedigree to cooler. In addition, our information can be used by producers to select sires that build your herd of the future, one that meets your target.

For more information please call (519) 767-2665 or visit www.biobeef.com.