

03/14/2003 Entry: "Tyson: Beef needs an identity"

U.S. Department of Agriculture predicts flat demand for beef

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MONETT, Mo. - Tyson Foods is not interested in owning or raising cattle, but it hopes to develop more consumer demand for products made from beef that farmers produce.

That's the message from Craig Bacon, Tyson Foods' senior director of research and development. Tyson ranks as the world's largest meat seller. Bacon was in Monett recently speaking to a group of cattle producers.

Bacon, a native of Southwest Missouri, cited a U.S. Department of Agriculture report that predicts continued demand for chicken meat and a flat demand for beef.

Part of the beef mission will be to give an identity to beef, Bacon said. Consumers have brand loyalty for products such as soft drinks and chips, and people are emotionally connected to brands, he said.

People can be exposed to up to 3,000 brands a day via signs along highways and streets, and advertising in publications and on television, Bacon said.

He said many people who were questioned about brands could easily name their favorites when it came to cola, potato chips and baked goods, but there was no brand of choice when it came to beef.

Beef is the brand X of the supermarket in a world where most consumers buy products based on advertising and price, Bacon said.

The fastest growth in beef demand is from casual-theme steakhouses that buy and serve quality beef, he said. That beef, he said, is usually of a higher quality than that sold in supermarkets.

"We need to sell beef with a brand name that guarantees consumers a tender product," Bacon said. "That can mean marinating some cuts of meat."

Tyson is test-marketing frozen steaks, flat-iron grillers, medallion roasts and seasoned filets. The flat-iron variety is a tender cut of meat that is being marketed in California for \$2.50 a steak, he said.

Bacon said Tyson believes it can benefit the beef industry because it has size and volume capabilities to reach retail outlets, where it sells protein to a variety of stores and chain restaurants.

If Tyson is successful in its move to develop more beef products that are easy to prepare, it would mean more demand and better prices for cattle, he said.