

# Organic, Grass-Fed Beef and Chicken: Management and Markets

Richard and Peggy Sechrist, Sechrist Ranch/Homestead Healthy Foods, Fredericksburg, Texas

When we converted the family ranch to organic livestock production in 1995, it truly was a new idea. We were the first ranch in Texas to have our land certified organic. Since there were no organic standards for livestock, we had to wait until 1999 for then Agriculture Secretary Glickman to make a policy change that allowed the certification of livestock. Again we were first in Texas to complete the livestock certification process.

Some will tell you that the smart track to the marketplace is to find out what customers really want and then provide it for them. As you might be guessing, we didn't take that track. Instead we decided to build a business based upon our values. For us that meant a meat product that was healthy for consumers and a production method that enhanced our ecological system. The decision to do this was derived from our practice of holistic management. Since Peggy is a certified educator, naturally, we use the holistic management planning, monitoring, and decision-making process as well as using the grazing planning for our livestock.

If you know anything about holistic management, you already know that all decisions are built around a goal that is formed first around our core values. Then we began selecting the actions and practices that were congruent with those values to generate income and create a management plan. It was this process that led to our decision to go organic and then to build a marketing business around that.

During the past seven years, many producers have asked us how do we:

Handle flies? Or parasites? Or sick cows? Or weeds? We're often quizzed about supplemental feed and fertilization. And of course we're interrogated about grass-finishing slaughter calves. But the answer to all of these questions is: working with the natural balance of nature. When the ecological processes of community dynamics (including plant succession), water cycle, nutrient cycle, and solar energy cycle are in a relative balance, the land reflects this balance by manifesting healthy conditions.

The truth is that we've never had a sick cow. We don't have a fly or parasite problem. We sometimes shred our weeds before they go to seed. And we balance the number of animals with the naturally growing native forages so that we don't have to feed much – if any. We don't have time here to go into the details of why this works. But believe me it does work, and it makes raising livestock a brand new game as compared to the old, high input method. In fact, organic livestock production became the easiest part of this experience. The real challenge – one we underestimated – is marketing.

Marketing became an uphill race for us because we made a couple of mistakes. We underestimated how long it would take before we reached a volume of sales that would make us profitable, and we undercapitalized our businesses -- two very typical errors that are easy to make.

Please keep in mind that every single case is different.

## About Richard and Peggy Sechrist

Richard and Peggy Sechrist began the organic production journey in 1995 as they took over the management of the Sechrist Ranch in Fredericksburg, Texas.

Their ranch became the first in the state of Texas to be certified organic by the Texas Department of agriculture—accomplished in 1995. In 1999, they had all of their livestock certified organic by a private certifier registered with the USDA. Their production practices are based on a holistic resource management approach that strives to enhance the ecosystem while producing a marketable product.

All the cattle and chicken raised on the Sechrist Ranch are pasture raised only. No animals are ever confined and fattened on grain. Laboratory testing reveals that grass-fed meat is lower in saturated fat, lower in calories, and higher in Omega-3 fatty acids and conjugated linoleic acid which blocks tumor growth in laboratory studies. Grass-fed meat is

also five times higher in vitamin E.

The Sechrist Ranch meat is labeled under the name Homestead Healthy Foods and is sold throughout the country through three (soon to be four) distributors as well as at their own organic food store at 1313 W. Live Oak Road in Fredericksburg. Homestead Healthy Foods, owned by the Sechrists, is a marketing company dedicated to marketing high quality certified organic food.

Homestead Healthy Foods website: <http://www.homesteadhealthyfoods.com/>

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Our particular situation didn't lend itself to selling meat off the ranch part-time while we worked elsewhere. That is probably the best way to start marketing. Give yourself some time to learn the craft, get familiar with your customer base, and grow your sales. We plunged into the wholesale, retail, and Internet business full time in an attempt to sell a larger volume of meat. The workload has been overwhelming. And we would not encourage anyone to follow our example. However we have learned a great deal by the sink or swim method. Maybe some of it will help you.

The organic food market is the fastest growing segment of the food industry. It has grown from \$1 billion in sales in 1990 to \$9.35 billion in 2001, which equals a growth pattern of 20 to 25 percent per year. Mega-giant food companies like Kellogg and General Mills are buying up organic food companies at a high rate. Driving this growth is a U.S. population that is becoming increasingly plagued by chronic illness – roughly 50 percent according to the Center for Disease Control – and beginning to think about preventive action toward health problems. Based upon other studies that we have reviewed, this trend is going to continue. The organic food market is definitely a viable market.

We have sold meat at farmer's markets, through our own organic food retail store in Fredericksburg, and through our web site: [www.homesteadhealthyfoods.com](http://www.homesteadhealthyfoods.com). All three of these marketing avenues have worked well, but they are very time consuming. The reward for your time is being directly connected to your customer and building a relationship. Not only is this emotionally rewarding, it allows you to build a truly loyal customer base that keeps coming back.

We have also created a wholesale division that is selling meat to four regional health food distributors based in Tucson, Fort Worth, Fayetteville, Arkansas, and Orlando. We also sell directly to five retail stores located in central Texas and Houston. Developing wholesale accounts is by far the most difficult. It also takes time. The wholesale marketplace is ruthless and nobody cares about relationship. Everyone is crunching numbers. While we may sell 2,000 pounds of meat in one sale, we've shed a lot of sweat and accumulated a lot of aggravation by the time the sale is made. We can sincerely say don't enter this market unless you've had previous experience or know someone with experience that can help you.

#### **Other issues that you will need to address are:**

1. Getting a label approved through the AMS division of USDA;
2. Getting your processing plant certified organic – directions will be provided by the certifying agency you choose to work through;
3. Decision about packaging;
4. Learning about meat yields as a percentage of live weight and a percentage of carcass weight;
5. Learning which cuts sell the best in your market;
6. If you go all grass-fed, educating your market about cooking procedures;
7. Educating your market about the nutritional benefits of grass-fed beef;
8. Developing literature (brochures) and advertising;
9. Making decisions about delivery – if and how;
10. Deciding to sell fresh or frozen;
11. Will you need storage facilities;
12. And don't forget bookkeeping, customer databases, and possible web site management.

Remember that if you begin direct marketing to consumers in your community, the phone number you publish will be used day and night. If you sell from your home, you'll have some customers "just dropping by" to see if they can buy some meat or to show a visiting friend or relative the neat ranch where they buy meat.

We haven't mentioned profitability here because it all depends upon what price your market will bear and how well you manage your expenses. But you definitely can make more money than selling cattle into the conventional market. And, in our opinion, you're providing a critical healthy experience for consumers – knowing where their food comes from and how it was raised. Studies conducted by the University of Missouri on the food industry confirm that giant food companies and retailers want to move more and more of our food production to developing countries where labor is cheaper and regulations are nil. Our hope of maintaining viable family farms and ranches depends on the choices the urban consumer makes. If that urban consumer has a relationship with his local food producers, we may stand a chance of realizing a productive and healthy future for us all.