



Grass-Fed Beef Growing Pains

Producers Ponder the Definition of Grass-Fed, Non-Biotech Marketing

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BISMARCK, N.D. (DTN) -- A grass-fed beef ranch manager from Maui, Hawaii, swapped grazing techniques with a ranching couple from northeastern Kansas. Across the room, a central Nebraska rancher who still finishes most of his cattle on grain explained how hard it is to sell grass-fed beef in the Cornhusker state, while a Mississippi producer explained he can hardly meet the demand for beef fed only non-biotech crops.

The diversity and tensions within the small, but wide-ranging, grass-fed beef industry were on display in Bismarck, N.D., last week as nearly 400 ranchers, breeders, academics, and beef industry representatives gathered for the fifth Grassfed Exchange Conference. Chief among the issues hashed out in Bismarck were industry disagreements over the definition of grass-fed beef, and the potential for grass-fed producers to tap into a growing anti-biotech market.

People came from 37 states and four countries and ranged from small, specialized ranches to large buyers and distributors. They heard from an equally varied set of speakers -- from the usual experts on soil health and grazing techniques, to Don Huber, a Purdue University professor emeritus whose controversial claims about the dangers of glyphosate and genetic engineering have made him a pariah among many in the agricultural industry.

AN INDUSTRY IN FLUX

Although the grass-fed beef industry remains small, Allen Williams, a geneticist and livestock industry consultant, told the crowd the industry has seen between 25% to 30% annual growth for the past 10 years. "One of the things we found in our research is that in a number of major metro areas in the U.S., grass-fed beef now accounts for somewhere between 3% and 6% of all beef sales," he told the audience. "That's major, folks, considering where we've come from."

USDA market reporter Nina Biensen attended the conference to spread the word about USDA's plan to release a monthly market report on grass-fed beef prices. "They're growing to the point where they are becoming organized enough to climb to that next level of recognition," she said of the grass-fed beef industry. Biensen estimated the report will officially be released in the next two months.

The industry's expansion has not been without growing pains. As it strives to move beyond the niche market label, the very definition of grass-fed beef remains disputed by the assorted ranchers who produce it.

The temperature of the well air-conditioned conference room rose considerably when a panel of grass-fed beef buyers took the stage. When it became clear that four of the five buyers were permitting their producers to supplement their forage-based programs with soy hulls and dried distiller's grains (DDGs), some members of the audience expressed indignation.

"I'm going to have a heart attack," Idaho rancher Dusty Shifflett told DTN angrily. "You feed them grass, you stay with grass."

In 2007, USDA released a "marketing claim standard" for grass-fed beef, which demands that "grass and forage shall be the feed source consumed for the lifetime of the ruminant animal, with the exception of milk consumed prior to weaning." However, it also permits "silage, crop residue without grain, and other roughage sources" to be fed, and does not forbid the confinement of animals in feedlots, as long as they have access to pasture.

The American Grass Fed Association has produced a more stringent certified label (AGA-certified) that permits only grass and forage, bans feedlot confinement, and forbids antibiotics or growth hormones.

One of the presenters on the panel, Blaine Hitzfield, manages Honored Prairies, a company which markets grass-fed beef from 15 to 20 farmers to 3,000 customers in the Midwest. Honored Prairies only accepts meat that

is completely grass-fed, and Hitzfield expressed concern for the integrity of the label when producers veer away from straight grass and hay rations. "We're playing with fire, as far as my opinion goes," he said to a smattering of applause. "From my perspective dealing with the end consumer, I think that the term 'grass-fed' carries a lot of weight with it right now; there's a lot of integrity in that term."

The buyers on the panel who currently allow producers to supplement their grass-fed diets appeared apologetic and stressed the economic necessity behind that decision. Ryan Jepson runs Grass Run Farms, which markets "all-vegetarian" feed, and allows the feeding of soy hulls and distiller's grains. Initially, he tried to allow only grass in his producer protocol. "I started there but I migrated back toward the center as the marketplace and the quality and profitability of production has guided us that way," he told the audience. "It doesn't always go with my personal beliefs on how the system should be run."

Hitzfield admitted sticking to pure grass-feeding makes for slower expansion but defended that rate. "I think we're going to have to be careful to let our capabilities determine how fast the market grows," he said. "Our protocol has kept us small; we've grown slow. I think it's important that we pay attention to what the consumer's expectations are, and deliver and keep the integrity of our product."

Jepson, along with the other buyers, expressed a desire to someday afford a grass-only production system. "This is a work in progress. We can't make change if we don't stay alive," Jepson said. "We like to work with producers and help them progress so that our program can progress toward what I call a 'cleaner system,' with higher barriers for entry."

THE GENETIC FACTOR

In a two-session presentation, Huber argued that glyphosate hampers plants' ability to take up valuable nutrients and has encouraged the national production of crops that lack proper levels of critical nutrients such as manganese. He also attacked the genetic engineering of plants, which he argued is more akin to a viral infection than traditional breeding. Huber attributes the development of a multitude of ailments from autism to irritable bowel syndrome and gluten intolerance to the proliferation of biotech crops and the widespread use of glyphosate.

Huber and his arguments -- which are hotly disputed by the biotech industry -- found open ears at the Grassfed Exchange conference. He was given a standing ovation, and many ranchers told DTN they were swayed by his points.

Bringing Huber to the conference was a long-considered decision to potentially align the grass-fed movement with the anti-biotech movement, Grassfed Exchange committee members told DTN. "A few of us had heard him speak before. I wanted to bring him a few years ago," Wayne Rasmussen, the founder of the Grassfed Exchange said. "And once more members of the committee heard him talk, we decided we needed to let producers know about this. We figured they would be receptive, and they can start this change in the industry."

All of the grass-fed beef buyers who spoke to the conference said they have plans to phase out biotech ingredients -- namely soy hulls and DDGs from biotech grain and Roundup Ready alfalfa.

"The next step obviously in order to have integrity, in order to sell a product that I'm confident is going to make my customers well instead of make them sick, is to figure out how we eliminate the use of glyphosate," Todd Churchill told the audience. Churchill, who works for Thousand Hills Cattle Company, which buys and distributes grass-fed beef, said the company plans to use a non-GMO label on its meat by spring of 2014. "Based on my read of consumers' understanding of GMO issues, I think we've only got a matter of months before, if you're going to sell a premium product for a premium price, the expectation is that it's going to be a GMO-free product," he said.

Allen Williams agreed, noting that embracing the non-GMO label would mean added value and a bigger market for the grass-fed brand. "As Huber's information gets out to the general public -- once the consumer hears of the issues with Roundup Ready crops and glyphosate, it'll be a game changer -- they will be the game changer," he told DTN. "GMO-free products will become very important."

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