Beef Industry Improvement–NM
Background and History

The goal of Beef Industry Improvement—New Mexico (BII-NM) is to increase and enhance marketing opportunities in the beef industry. Participating members include industry people, state agencies, and friends of the industry.

BII-NM began as the NM Beef Strategic Planning Initiative, first convened by Donnie Quintana, Community Development Team Leader of New Mexico Economic Development (NMEDD) in spring of 2007. A Steering Committee was developed composed of representatives from the NM Beef Council, NM Cattle Growers Association, NMSU Cooperative Extension Service, NMEDD, and La Montanita Coop. The Steering Committee set out to develop a strategic planning process and an implementation strategy.

Phase One: Beef Industry Research

The first step in this process was information gathering, thus the Steering Committee commissioned Dr. Jerry Hawkes and Dr. Terry Crawford from NMSU's Agricultural Economics Department to develop a "state of the industry" report, detailing trends for the beef industry and analyzing New Mexico's relative position within the industry. Their findings verified the fact that returns achieved by cow/calf operators continue to fall steadily downward, even with occasional periods of recovery that are somewhat cyclical.

In the current business climate, and because of the modest number of calves available in New Mexico, the authors concluded that there would be no beneficial impact to building a major regional slaughter facility. They also tested the feasibility of a total conversion of the NM cow/calf industry to a grass-fed and finished method. They concluded that this approach would not work industry-wide for a number of reasons including, inconsistency in forage availability and quality from year to year; the difficulty of creating a year round supply of high quality, consistent grass finished beef, and absence of evidence verifying existence of a "grassfed market" on that scale in the US.

The authors reported favorably on the possibilities offered by creating a New Mexico "brand" of beef, designed to capture interest on the part of local buyers in supporting local producers. According to the report, the key precursor to establishing a brand is the ability to achieve and maintain a consistent, high-quality product that meets consumer expectations. A properly developed, quality beef product line could also lend itself to marketing beyond the state, taking advantage of positive perceptions of New Mexico in other markets.

At the same time as the NMSU report was being prepared, Taos Community Foundation contracted AIS Development, a local economic development consulting firm, to prepare a report on the grass-fed beef industry in northern New Mexico and southern Colorado. The report looked at the industry and its potential using "Value Chain Methodology", a customer- and market-based method that measures the strength of an industry through all of the steps a product takes—from production, through processing, distribution, marketing and consumption.

Like the NMSU report, this report concluded that in the target geographic area, the climate, scale of livestock, and amount of forage available would work against the development of a large-scale grassfed beef sector. However, the report also revealed a notable number of producers who were successfully operating in the grass-finished niche market. These producers generally finish 20-30 beef each fall and sell them through direct marketing methods.

This study also echoed the NMSU study by finding that the best opportunity to add value to New Mexico beef would be a branded product, assuming that quality, marketing and distribution issues could be addressed. It went further to recommend that such a "value chain" be designed to address all market segments, from commodity to niche, including other livestock sectors (poultry, dairy, etc) if at all possible.

Developing a branded beef program offers a clear opportunity to create a value chain, connecting all segments of the industry in mutually beneficial relationships. Such a value chain approach would assure a fair return to producers by successfully addressing market demand. While ranchers in our current "supply chain" experience themselves as "price takers," in a value chain approach, they would instead earn a fair share of the profit from successfully addressing the needs of an established (or growing) market.

Listening Sessions—Summer 2008

After the reports were published, the Steering Committee organized a series of facilitated discussions. These events used the reports as a starting point to draw out stakeholder experience of the barriers and challenges that the industry faces. They also sought to learn from participants what they saw as the potential opportunities for the industry and what assets they might have to take advantage of these opportunities. The SC hoped this would help them to develop a picture of the collective and shared goals of the industry. Meetings were held in Santa Fe, Fort Sumner, Sky City/Acoma, and Silver City, with a combined attendance of over 120 stakeholders.

Several strong themes emerged from these meetings. While producers recognized that there were many factors beyond their control (such as climate) they emphasized that there were also many opportunities for improvement in areas over which they could exert some influence (such as improved industry management).

There was significant consensus that "lessons learned" in the two reports were consistent with their own experience "on the ground". Participants expressed conviction that a statewide branded beef program was a valid and possible strategy to enhance marketing opportunities. They also saw the need for collaboration, among producers and with other industry interests and resources. Participants clearly identified the need for effective strategic alliances with other entities to assure maximum impact on policy/regulations and other external factors that affect the industry

Strategic Planning Summit—November 2008

In November 2008, 50 industry participants and service providers met at the Strategic Planning summit to synthesize the data from the reports and the outreach meetings, and add their own experience and perspectives. At the meeting, the group developed recommendations that can form the framework for a strategic plan for the industry and guide the work of BII-NM as it continues to build the stakeholder group, develop strategic alliances, and generally work to facilitate greater opportunity for the beef industry in New Mexico. The recommendations charged BII-NM with developing a branded beef program, improving communications within the industry, developing a task force on cattle health, providing education and training on alternative marketing techniques, and working with public agencies on regulations and other policy issues.

Summit II—to be held May, 2009

In order to implement these recommendations, a task force will be established on each topic. These task forces will meet separately and as a whole at the second BII-NM summit to clarify goals and objectives and develop priorities, timelines and budgets for their work.