

95/NT01



## Producer Research Support

**Building on strengths for a clean, lean NT beef brand**

Alice Springs Branch NT Cattlemen's Association



'Clean and lean' was the basis for a Central Australian beef brand investigated by Northern Territory beef producers.

### The project

Most people who buy and eat beef in the Northern Territory (87%) would buy beef branded as 'Central Australian Clean Lean' if it was freely available and offered at the same price as regular beef.

However, this number decreased by 21% when respondents were asked if they would buy the brand if it was slightly more expensive.

Respondents who were 'likely' or 'very likely' to buy the organic meat if it were slightly more expensive were most likely to pay an extra 99c to \$2/kg. Those who would not buy it at a higher price were either not willing to pay more or find nothing wrong with regular beef.

The Central Australian beef industry believes it is disadvantaged by the long distances it must haul livestock to market. It believes there is a unique opportunity to promote Central Australian beef as 'clean and green' or organic and expand the markets and returns to pastoralists.

Central Australian cattle are grown under free range conditions and are, under normal conditions, free of pesticides and manufactured chemicals.

Local cattle producers have identified an opportunity to capture a portion of the local and tourist market by developing a consistent grass-fed meat product which can be target marketed at a premium price.

The potential target markets are:

1. the health conscious consumer; and
2. visitors who want to taste local beef.

Central Australia does not fertilise pasture and uses few feed supplements, pesticides or other chemical treatments.

Central Australian beef producers believe their product qualifies as an 'organic' food product.

The perception existed that both visitors to central Australia and local consumers could be encouraged to buy 'local' meat that has a distinctive identification label that certifies quality and how it was raised.

The NTCA commissioned Uniconsult Pty Ltd to research the feasibility of introducing a unique Central Australian meat label into the Northern Territory.

### Key points

- Most consumers would buy 'clean, lean' branded Northern Territory beef.
- Their willingness to try something different is dependent on price.

### Contact details

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## Producer Research Support

MLA Producer Research Support offers support funding of up to \$15,000 over three years for groups of producers keen to be active in on-farm research and demonstration trials.

These activities include:

- Producer Initiated Research and Development
- More Beef from Pastures demonstration trials
- Prime Time Wean More Lambs demonstration trials
- Sustainable and productive grazing grants.

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## Objectives

The primary objective of this research was to identify the feasibility of marketing 'organic meat' to shoppers in the Northern Territory.

More specifically, the research objectives were to:

1. Determine the frequency of red meat consumption in households;
2. Determine whether respondents purchase any 'organic' or 'clean' produce;
3. Ascertain why respondents buy or do not buy 'organic' or 'clean' produce;
4. Determine how likely or unlikely consumers were to buy Central Australian Clean Lean Beef if the price was the same as regular beef and it was freely available;
5. Determine how likely respondents were to buy this 'Clean Lean Beef' if it was slightly more expensive than regular beef;
6. Determine how much extra per kilogram respondents were prepared to pay for the 'Clean Lean Beef';
7. Ascertain why people would not buy the 'Clean Lean Beef'; and
8. Ascertain what information would help respondents decide whether or not to buy Central Australian 'Clean Lean Beef'.

The Alice Springs Branch NT Cattlemen's Association also wished to carry out a feasibility study to determine:

1. Market demand in Alice Springs and Yulara for 'Clean Organic Meat';
2. Criteria used to select cattle for the, 'Clean Organic Centralian Meat' label;
3. Methods to coordinate supplies of suitable animals from producers;
4. Methods to develop the 'Clean Organic Centralian Meat' products concept;
5. Methods to promote the meat in the defined markets;
6. Market demand in the rest of the NT and thence to interstate markets; and
7. The social and economic benefit to the pastoral industry, local abattoir and the local economy.

## What was done

A random sample of 200 shoppers divided equally between Darwin and Alice Springs was surveyed.

The survey only interviewed respondents that eat red meat.

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## MLA also recommends

### BeefPlan

BeefPlan is a non-traditional approach to learning. Groups of like-minded beef producers, work together as a management team to focus on property management. Importantly the learning agenda is set and controlled by the group.

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### EDGENetwork

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[www.edgenetwork.com.au](http://www.edgenetwork.com.au)

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**Breed societies involved in 'best practice'  
process to define seedstock 'industry'**

JULY 2006 / PIRD OUTCOMES

## What happened?

Most of the respondents from Darwin and Alice Springs eat red meat between four to five times a week (41.5%) and two to three times per week (33%).

About one-third (36%) of respondents buy organic produce. They do so because it is considered to be 'better for you' than non-organic food (43%).

Of those that did not buy organic produce (50.5%) most did not do so because it was either not available (39%) or it was too expensive (32%).

The shopper survey was followed by a survey of restaurants in Alice Springs, Ayers Rock and Darwin and then supermarkets, butchers and meat wholesalers in Alice Springs and Darwin.

Of the restaurant respondents, 88% (21) indicated they would be interested in serving local 'organic' beef at a slightly higher price than normal beef. About 34% (8) of the respondents qualified their response with conditions of quality and supply. Another 12% (3) of respondents were negative to the question.

Of the 88% willing to pay slightly more, 52% (11) indicated a willingness to pay between 50c and \$1/kg extra. The price, however, would have to be trialed as it was strongly dependent upon promotion and demand.

Another 19% (4) were prepared to pay an extra \$1.500–02/kg; another 19% (4) did not know how much extra they would be prepared to pay; and 10% (2) were prepared to pay an extra \$30–06/kg.

Of the supermarket and meat trade respondents surveyed, 80% (20) indicated an interest in stocking 'Central Australian Clean Lean Beef' at a slightly higher price, while 20% (5) were negative. At the same price as normal beef, only 4% (1) was negative.

On the question of how much extra per kg they were prepared to pay, 50% (10) of the positive respondents were not prepared to make a commitment.

The respondents' perception of customer demand showed 64% (16) were positive; 28% (7) negative; and 8% (2) did not know.