



MARKETING PLAN

Presented to the Board of Directors of

The Heritage Pork Guild

by

The Willow & Main Marketing Group

Illinois State University Student Chapter of the National Agri-Marketing Association

INTRODUCTION

At today's fine dining restaurants pork is "in" and so is the interest in locally sourced ingredients. Responding to the demands of their customers, many chefs and restaurant owners now specify how the animals they use are to be fed, raised, and the distance transported to market. These chefs often embrace the concept of nose to tail use of the animal where nearly every part of the animal is consumed.

Many of these restaurants are forgoing the lean hogs produced by large commercial swine operations for pork from traditional "fat" breeds of hogs such as Berkshire, Old Spots, Mangalitsas, and Red Wattle. The rich, moist pork from these heritage breeds is dark in color and streaked with fat. These qualities provide meat that has a fine texture and a hearty flavor.

The meat from these breeds is also the choice for artisanal charcuterie. Charcuterie is the art of preparing and preserving meat and meat dishes by salting, smoking and curing. These cured meats and sausages make use of many parts of the animal that may have typically been discarded.



Guinea Hog



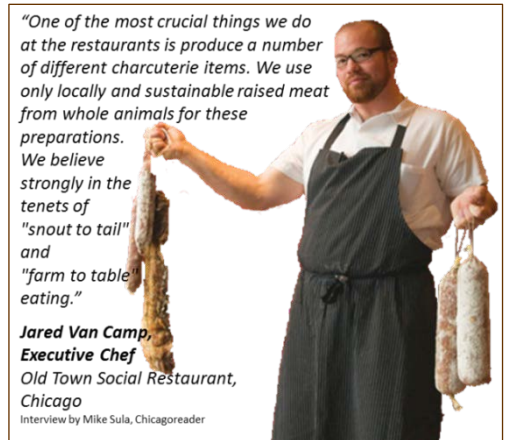
Charcuterie plate
(Publican Quality Meats, Chicago)



A breed of hogs that has all the characteristics these chefs desire but has not yet been

commercially produced is the relatively unknown Guinea Hog. The Guinea Hog is a heritage breed, meaning its ancestry can be traced back to

animals that were popular well before the introduction of many of the breeds now used in modern agricultural production. These breeds often have attributes that allow them to be adaptable and self-sufficient, making heritage breeds an excellent choice for small farms.



BUSINESS ORGANIZATION

THE HERITAGE PORK GUILD

The concept of guilds dates back to the Middle Ages when groups of merchants and craftsmen banded together for their economic benefit. One of the guild's objectives was to insure product quality by monitoring the process that was used to produce the guild member's merchandise. Similar to the guilds of centuries ago, the primary objective of the Heritage Pork Guild is to guarantee a product that has the consistent quality and quantity required by fine dining restaurants.

In the autumn of 2013 fourteen producers of Guinea Hogs established the Heritage Pork Guild. These Central Illinois producers have the common goal of making the production of these unique animals into a viable economic enterprise. Each of these producers has made a commitment to produce their animals in compliance with the Guild's protocol. This protocol specifies:

- the feedstuffs that make up the rations,
- the pharmaceuticals that may be administered,
- the carcass weight at slaughter,
- the number of animals that they may market through the Guild.

Guild members have agreed to market their hogs exclusively through the Guild using the **HEARTLAND ARTISAN PORK** label. Each Guild member is committed to supply 35 to 40 hogs in year one and increase production to 140 to 160 hogs by year three.



MARKET ANALYSIS

MARKET SIZE AND STRUCTURE



Because local sourcing is a key feature of the product being offered by the Heritage Pork Guild, **HEARTLAND ARTISAN PORK** will be promoted to fine dining restaurants in Chicago and St. Louis as well as cities located between these two metropolitan areas. Although there are over 22,000 restaurants in the three markets¹, the online urban guide *Yelp* and the social media site *FourSquare* were used to identify 130 restaurants as

potential customers for **HEARTLAND ARTISAN PORK**. All of these restaurants are within a 200 mile radius of where the animals are raised.

CUSTOMER PROFILE

The typical customer for **HEARTLAND ARTISAN PORK** will be independently owned fine dining restaurants that currently feature locally sourced products and engage in some in-house meat processing. The clientele of these restaurants are typically affluent and a recent study indicates they are interested in purchasing and paying more for free range, locally raised, and sustainable food sources².

¹ United States Census Bureau, County Business Patterns

² Technomic, Inc., 2013, *The Center of the Plate: Beef and Pork*

INDUSTRY TRENDS

One of the leading trends in the highly competitive fine dining market space has been in-house processing of locally produced meats. Nose to tail processing allows restaurants to distinguish themselves from their competition by providing their customers with a unique dining experience and the satisfaction that the food they are consuming has been raised and prepared in a socially responsible manner.

"It's simply delicious when done correctly - who doesn't like fat and salt? We've got better meats from animals raised in better ways, and with the help of a few trendsetting chefs, the trend was off. And no part of the animal goes wasted—it's sustainable cooking at its highest form."

Charcuterie Chef
Erling Wu-Bower,
Avec Restaurant,
Chicago

Interview by Andrew Knowlton
bon appétit Magazine, 2012.



Restaurant Customers Likely to Purchase & Pay More for



BUSINESS PROPOSITION & MARKETING GOALS

STRATEGY STATEMENT: The Heritage Pork Guild will provide a distinctive, locally produced pork product that is consistent in quality to fine dining restaurants that are engaged in in-house processing.

KEY PLANNING ASSUMPTIONS

1. Through closely controlled production protocols the members of the Heritage Pork Guild will provide their customers with a product that is consistent in quality.
2. Heritage Pork Guild members will provide their customers reliable quantities of pork. The Guild will deliver at least three whole carcasses to each restaurant each month.
3. Members of the Guild will find the marketing arrangement profitable and will be willing to expand output, if needed.

July 2014/June 2015

- 15 restaurants in the Chicago area (27% of targeted restaurants).
- 540 head of hogs marketed.
- \$229,500 in gross revenue.
- \$3.46/lb. net return to Guild members.

July 2015/June 2016

- 20 restaurants in Chicago, 12 restaurants in St. Louis (34% of targeted restaurants).
- 1,150 head of hogs marketed.
- \$514,080 in gross revenue.
- \$3.79/lb. net return to Guild members.

July 2016/June 2017

- 25 restaurants in Chicago, 17 restaurants in St. Louis, 12 restaurants along to I-55 corridor (42% of targeted restaurants).
- 1,950 head of hogs marketed.
- \$908,820 in gross revenue.
- \$4.06/lb. net return to Guild members.



COMPETITIVE ANALYSIS

- Meat is flavorful and has desirable fat content.
- Locally produced.
- Sold as whole carcass so meat can be processed and cured in house.
- Delivered fresh chilled on a ten day schedule.
- Produced under a strict production protocol.
- Easy to handle due to small carcass size.
- Has outstanding meat quality traits.

Strengths



- More expensive than commercially produced pork.
- Lack of awareness of the Guinea breed.
- Quantities are limited.

Weaknesses



- Expand to home cooks and charcuterie shops.
- Expand into other nearby metropolitan markets.
- Lard can be utilized by bakers due to the sweetness characteristic.

Opportunities



- Competition from non-Guild Guinea Hog producers.
- Competition from other heritage breeds of hogs.

Threats



MARKET SPACE COMPETITORS

The pork products used by fine dining restaurants come from either commercial breeds of swine or heritage breeds such as Berkshire and Old Spots. The Willow and Main Marketing Group's marketing campaign will promote **HEARTLAND ARTISAN PORK** as a visually appealing, flavorful alternative to pork products from commercial breeds. The Guild's dedication to producing a product that is consistent in quality and quantity gives **HEARTLAND ARTISAN PORK** an advantage over pork produced from other heritage breeds.

Berkshire

- Well recognized heritage breed.
- A large number of producers with a large domestic and international market.
- Meat is well marbled, sweet, and palatable.
- With a typical carcass weighing 200 lbs, in-house processing can be a challenge.

Other Heritage Breeds

- Mangalitsa, Old Spots, and Red Wattle are well established and recognized heritage breeds.
- Quality can be inconsistent from farm to farm.
- Restaurants may have to rely on a single farm.

Commercial Hog Production

- Well accepted and consistent quality.
- Well established wholesale distribution system.
- Priced below pork from heritage breeds.
- Meat tends to be lean and light in color.
- Often fed additives to promote leanness but may reduce tenderness.

Breed	Intramuscular fat %	Minolta Color	Cooking Loss %	Juiciness Sensory Panel	Tenderness Sensory Panel
Guinea Hog	2.57	24.2	20.4	6.4	7.4
Berkshire	2.51	25.0	20.8	6.1	7.3
Landrace (common commercial breed)	1.90	29.4	24.0	5.0	6.6
Meat Quality Trait Performance (Illinois State University, 2014)	High Score Desired	Low Score Desired	Low Score Desired	High Score Desired	High Score Desired



ACTION PLAN

PRODUCT

HEARTLAND ARTISAN PORK is produced from the Guinea Hog breed of swine. Guinea Hogs were first brought from West Africa to the United States in the early 1800's. The



Guinea Hog is an excellent forager and its meat is prized by chefs for its texture, color, and nutty flavor. The Guild's hogs have access to pasture and have a diet that consists of foraged nuts, roots, fruits, berries

supplemented by alfalfa hay and pellets. The production protocol subscribed to by Guild members limits the amount of grain these animals consume and strictly forbids any type of growth hormone. These hogs are relatively small in size with an average carcass weight of 85lbs. The animals will be processed at a federally inspected locker facility in Chenoa, Illinois.

PROMOTION

Since the target market for **HEARTLAND ARTISAN PORK** is limited in terms of restaurant attributes and geographical location, the marketing campaign will focus on direct contact with potential customers while supporting that contact through social media.

Personal contact with chefs and restaurateurs: Beginning in May of 2014, each of the targeted restaurants will be visited by a member of the Willow & Main Marketing Group and a farmer member of the Guild. The chefs and restaurant owners will be provided a sampler of charcuterie from Guinea Hogs produced by Guild members. The Guild's production protocol, availability, and price will be explained and questions will be answered.



Heartland Artisan Pork Day: Each fall, current and potential customers along with two of their guests will be invited to a farm visit and tasting event. They will be able to see firsthand how the animals are raised. This year, Chef Craig Deihl, a semi-finalist for the James Beard Foundation Best Chef award will be the host chef and will use every part of the Guinea Hog in creating the menu for the tasting event. Chef Deihl is well known for his charcuterie made from the Guinea Hog.

No Kid Hungry Dinners: The Heritage Pork Guild has made arrangements to donate two whole hogs to the annual No Kid Hungry Dinners held in Chicago and St. Louis. At these events celebrity chefs prepare a variety of local dishes for other chefs and food enthusiasts. Participation will not only help raise money for food programs but also exposes **HEARTLAND ARTISAN PORK** to our prime target audience.



Cochon555: Cochon555 is a series of tasting tours featuring top chefs preparing dishes from heritage breed pigs. The tour promotes heritage breed pigs through the preparation and serving dishes featuring pork from these animals. The attendees include restaurateurs, chefs, media, and consumers. The Heritage Pork Guild has made a commitment to provide two whole hogs to the Cochon555 to be held in Chicago and St. Louis.



Social Media & Website: Facebook, Twitter, and Instagram will be used to share information and pictures of the Guinea Hogs in their natural environment. FourSquare check-in discount on charcuterie plate orders will be offered at participating restaurants. The Willow & Main Marketing Group will develop and maintain the Guild's website. This website will provide information on Guinea Hogs, pricing, and guild members' farms, as well as testimonials from chefs.



MONITORING & MEASUREMENT

The Willow and Main Marketing Group will continually evaluate the Guild's financial condition, the effectiveness of the marketing campaign, and the satisfaction level of the Guild's customers. This information will be reported to the Guild members on a quarterly basis.

Measurement	Goal	Monitoring Methods	Contingency Plan
Customer Satisfaction	<ul style="list-style-type: none"> Achieve 95% customer satisfaction while striving for 100%. 	<ul style="list-style-type: none"> Interaction with chefs and restaurant owners. Online conversations/social media comments. 	<ul style="list-style-type: none"> Reassess feeding protocol. Reevaluate carcass qualities. Examine delivery procedures.
Product Awareness	<ul style="list-style-type: none"> 90% of targeted restaurants are familiar with our product. 	<ul style="list-style-type: none"> Survey targeted chefs and restaurant owners. Track social media and website activity. 	<ul style="list-style-type: none"> Increase contact with chefs and restaurant owners. Examine promotional strategy.
Sales and Profitability	<ul style="list-style-type: none"> Triple sales over the three years. Provide a return in excess of \$4.00/lbs to Guild members. 	<ul style="list-style-type: none"> Examine monthly sales and cost data. 	<ul style="list-style-type: none"> Expand the number of target restaurants. Expand into other Midwest markets.

FINANCIALS

The goal in the initial year is to sell 540 Guild produced carcasses to targeted restaurants in Chicago. Efforts will be made to expand client restaurants in the Chicago market and expand into new geographical regions (St. Louis and I-55 Corridor) in years two and three.

Processing (eviscerating, scalding, and scraping) is done at a federally inspected central Illinois locker plant. A trucking firm has been contracted to deliver the carcasses to the restaurants.

The Willow and Main Marketing Group will provide personnel for restaurant visits, develop brochures, and construct the website. The Group will receive 15% of gross margin for its services. This is a unique arrangement in the industry. The Willow and Marketing Group is willing to share the risk, and if sales increase as we anticipate we will share the rewards.

After processing, transportation, and marketing expenses, Guild members will receive \$3.46 net return in the first year and \$4.06/lb. in 2016/17.

Sales	2014/15	2015/16	2016/17
Carcasses Sold	540	1,152	1,944
Lbs Sold (85 lbs./carcass)	45,900	97,920	165,240
Price/lb.	\$5.00	\$5.25	\$5.50
Gross Revenue	\$229,500	\$514,080	\$908,820
Cost of Goods Sold			
Processing	\$13,500	\$28,800	\$48,600
Transportation	\$8,100	\$17,280	\$29,160
Administrative	\$5,000	\$10,000	\$15,000
Gross Margin	\$202,900	\$458,000	\$816,060
Marketing Expenses			
Agency Fee	\$30,435	\$68,700	\$122,409
Samples/Donations	\$2,200	\$2,400	\$2,600
Website	\$4,500	\$2,500	\$2,500
FourSquare Promotion	\$2,160	\$4,608	\$7,776
Heartland Artisan Pork Day	\$3,000	\$5,270	\$6,200
Direct Mail/Printing	\$1,600	\$3,200	\$3,400
Total Marketing Expenses	\$43,895	\$86,678	\$144,885
Marketing Expenses/ Gross Revenue	19%	17%	16%
Net Return to Producers	\$159,005	\$371,322	\$671,175
Net Return /lb.	\$3.46	\$3.79	\$4.06

CONCLUSION

The Heritage Pork Guild will provide its restaurant customers a consistently high quality **HEARTLAND ARTISAN PORK** that allows them to provide a unique dining experience for their customers. Through their cooperative efforts, members of the Heritage Pork Guild will benefit financially and ultimately support the perpetuation of this unique breed of swine, the Guinea Hog: **"Farm Raised. Chef Driven."**

