

# Changing organic meat marketing

By Warren Beaumont

**D**IRECT MARKETING AND ONLINE MARKETING FOR organic meat producers is becoming a more viable and profitable alternative to selling through traditional wholesale supply chains, although there remain logistical and marketing challenges to overcome.

At **Silverwood Organics**, near Longreach in western Queensland, Andrew and Maree King diversified into South African Dorper sheep and lambs, and started marketing organic lamb online in January 2009.

The Kings converted to organics eight years ago and use the Australian Certified Organic (ACO) logo in marketing. Maree King says Silverwood was tired of dealing with processors and

middlemen who would not pay a premium for the product, while there were some issues with long-payment terms.

"We are selling about 10% of our product direct to the public online to south east Queensland," she says. "The main market is Brisbane where we deliver twice monthly and to the Sunshine Coast and Gold Coast monthly, and we're looking to expand to the Toowoomba region. We can provide cold transport from Longreach for anything boxed, but not carcasses."

"We're now developing a market to sell direct to restaurants and won an award at the recent Royal Brisbane Show in the Restaurant Lambs competition."

Ms King says Silverwood Organics is not delivering direct to retailers, but that the balance of its organic lamb production is sold through butchers, supermarkets and organic stores.

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## Livestock

The Silverwood Organics website offers a lot of information and options for bulk packs for consumers. Maree says the website is working well and takes advantage of Google's ad technology. "It is too expensive to advertise in daily newspapers so we mostly use online promotions and benefit from word of mouth support," she says. "Customers like to check out the website a few times and it takes time to build confidence." The most popular boxes of organic lamb are the 10-12 kilogram, half-lamb pack, and the 20-22kg full lamb pack.

"ACO's certified organic logo is easily recognisable and shows that checks and balances are in place. The more we sell, the better our margins and costs will be," Maree says, adding that Silverwood is achieving a much better premium price of around \$16/kg through online selling, more than three times the \$5/kg wholesale price. "There are of course extra costs to account for with our web sales including processing and killing costs, cold transport, packaging, home delivery, and web advertising costs. If we can get our online sales up to 25% by the end of 2009/early 2010 we will be very happy," she says.

Brisbane-based **The Meat-ting Place** operates an organic butcher retail shop at Paddington and a retail and wholesale outlet at Everton Park. Co-proprietor Steve Povey says the business only deals direct with the farmer and not third parties or wholesalers. "We market and are the exclusive distributors of Enviroganic Farm organic chickens in Qld, and Sunshine Organic Beef nationally. We will soon add sustainable seafood to the list," he says.

"Online ordering is not a threat; we have our own website, supply 30 other organic retailers in Queensland and have invested a lot of money and time into developing organics. People can now afford organic meat and products through us and we want other retailer to offer the same prices we charge the customer here".

Mr Povey says sales have bounced back into positive territory after some quiet months earlier this year, helped by getting prices down and promotions.



Certified organic meat goes direct from farm to shop front at the Meat-ting Place, Brisbane.



Andrew & Maree King of Silverwood Organics (Longreach, Qld) are marketing organic lamb online.

Meanwhile, **BONAH Meats Beaut Organic Nice and Healthy** (an organic producer for 20 years) began marketing organic beef, chicken, pork and lamb online through its website 18 months ago. Bonah Meat's Nathan Billing says the move to direct selling online was made to expand the market and increase demand with more farmers going organic.

"The public can order over the phone and we aim to increase consumption of organic meat through specific packs that suit a bulk buy or family buy, from a 15kg deluxe pack down to

a taster pack of two to three kilograms," he says.

"We have 20 distributor-retailers who take the deliveries, do the transaction and can take some orders. Most country orders come via the distributors and the telephone; in the city it is mostly online. We are making better sales and margins now as we have a premium in each link of the chain. We rely on word of mouth advertising, and also use posters and brochures at the retailers."

Orders are delivered to distributor-retailers in NSW and Victoria each month for customers to pick up, with a one month delivery from order. "We have become a wholesaler in a sense to cut one level out and we're also trying to keep quality control in the process."

Mr Billing says transport to get to abattoirs is an issue but that unit and dollar sales growth is above food inflation.

"Quality has a lot to do with it. If I had not started this I would still be supplying the conventional market. Now there is more certainty over the pricing structure from farm to consumer."

Matt O'Leary of **Australian Organic Meats** of Elong Elong, in central western NSW near Dubbo, sells the bulk of his Australian Certified Organic beef through traditional wholesale channels and export. "We have order forms on our website but an issue is distribution as it is hard to send small volumes to households under refrigerated transport," he says. "It costs \$120 for a pallet rate to deliver a few orders to Sydney, and it may be viable if more people shopped online in the future." 🍌