


GROUND BEEF: It still rules both at home and away, while looking to expand its domain with renewed marketing efforts and new product offerings.

 Ground beef may not enjoy the same cachet as a Kobe steak, but it continues to dominate the beef category in ways prime cuts probably never will.

In fact, ground beef accounted for more than a third of the dollars spent at the beef case last year, according to FreshLook Marketing.

The reason? It's the everyman beef for seemingly every occasion, says Randy Irion, director of retail marketing for the National Cattleman's Beef Association. Ground beef is not only used to make chili and meatloaf, but also spaghetti sauce and casseroles and, oh yes, the ubiquitous hamburger.

"It's the ultimate convenience product," says Irion. "Consumers purchase it without knowing exactly how they're going to use it."

Yes, the burger is still king, though a growing number of consumers are turning to ground turkey and other so-called healthier patties. Whether the turkey burger makes a noticeable dent in ground beef sales remains to be seen. Joe Pawlak, vice president with consultancy Technomic Inc., believes it will.

The good news is that ground beef is available in ever-leaner formats. Irion says it's important to get the nutritional facts into the hands of consumers, as Indiana chain Marsh Supermarkets Inc. recently did by posting information on its beef products at several of its sites. The result: Marsh reported a 6 percent increase in dollar sales at participating Marsh Supermarkets, and a 2 percent



New York Burger Co.

hike at its participating LoBill stores.

"We've seen some retailers continue with those types of initiatives because they're good business and marketing opportunities," Irion says.

Ground beef also dominates the quick-service restaurant, even if operators are focusing less on new burger creations and more on breakfast items, salads, chicken sandwiches and the like.

Nevertheless, Hardee's has received plenty of press thanks to its bun-busting Thickburger, which is made of a third-pound of ground beef, and McDonald's is looking to score with its new Angus Third Pounder, a larger, high-quality burger it recently rolled out at several locations in

Company/Brand	2006 retail sales (est.)
1. Cargill Meat Solutions	\$1.7 billion
2. Tyson Fresh Meats	\$1.7 billion
3. Swift & Co.	\$775 million
4. National Beef Packing Co.	\$750 million
5. Smithfield Foods	\$460 million
6. Lopez Foods	\$340 million
7. American Foods Group	\$325 million
8. Fairbank Farms	\$103 million
9. Sam Kane Beef Processors	\$100 million
10. Harris Ranch Beef Co.	\$100 million

Source: Meatingplace research

Southern California.

So far, they're both big hits, and Pawlak expects more QSRs to follow suit with "indulgent" menu items targeting the 18-to-30-year-old crowd, whose metabolism is presumably up to the task of burning all those calories.

The burger also is making surprising inroads into the fine-dining segment, where patrons place a premium on the taste and quality that a pricey Kobe provides in spades. True, the Kobe beef burger remains a niche offering, as do burgers made from grass-fed beef, but they both speak to the seemingly boundless versatility of the almighty burger.

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