

National Lamb Quality Audit Strategy Workshop Summary

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The American Lamb Board hosted a Strategy Workshop pertinent to American Lamb Quality in June 2015. The focus of the workshop was to develop a vision, goals, and an action plan from findings of a research project “Preferences and Complaints associated with American Lamb Quality in Retail and Foodservice Markets” (a.k.a. National Lamb Quality Audit). Researchers from Colorado State University and The Ohio State University presented results that included personal interviews with 120 protein purchasers within U.S. retail and foodservice. Further results included a benchmark of lamb product characteristics (i.e., size, cutability, and product label claims) available at retail from 12 geographically diverse locations.

Fundamental discussion of the workshop included defining “lamb” and “quality” from the retail and food service perspective. The central themes for the definition of lamb included being described as: 1) young sheep (32%); 2) red meat alternative (25%); 3) delicious and flavorful attributes (20%); 4) delicacy, high end meat (9%); 5) healthy protein (7%); and 6) other (7%). The predominant answer was “young sheep”; while the definition of lamb varied by respondent in foodservice, retail, and purveyor sectors of the industry, lamb was most commonly defined as a young sheep less than 12 months of age. Also, the Strategy Workshop participants interacted and provided responses on “Why do people purchase lamb?” (shown at right).

Quality, in general, is a more ambiguous term to define. Interview responses for “define quality” show a variety of answers for supermarket, butcher, direct/farmer’s market, fine dining, casual dining, and purveyor representatives of the lamb industry. The total shares of preference (relative percentage of preference) for all interviews was the greatest for eating satisfaction (38.9%). Credence attributes and production management traits of origin (17.2%) and sheep raising practices (13.6%) ranked second and third overall, respectively. Physical product characteristic traits of product appearance/composition (10.5%) and weight/size (8.5%) were ranked fourth and fifth in the shares of preference, respectively. Nutrition/wholesomeness (7.1%) ranked sixth and product convenience/form (4.2%) ranked seventh in the overall ranking across all sectors of retailer, foodservice, and purveyor interview respondents.

According to retail and foodservice entities, Lamb Quality can most appropriately be defined as eating satisfaction, and more specifically lamb flavor. A strategic emphasis on quality attributes identified in this research should strive to ensure that eating satisfaction and lamb flavor are optimized for American lamb, and to produce lamb with credence attributes that may be valuable for sheep producers and requested by retail and foodservice sectors, and inevitably American lamb consumers.

The active participants engaged in a day and a half discussion on identifying the current status of American Lamb Quality, including current strengths, deficiencies, and determining necessary steps for future improvement critical to maintaining and increasing American Lamb marketshare. The Strategy

Workshop attendees developed a mission to:

Improve the consistency of quality, cutability, and marketability of American Lamb with a consumer driven focus.

With a consumer centric goal for American Lamb, three strategic goals that will drive the future progress associated with quality of lamb produced in the U.S. include:

- 1) Address factors contributing to lamb flavor, their impact on consumer satisfaction, and align flavor characteristics with target markets.
- 2) Improve lamb management to hit market-ready targets for product size, composition, and eating satisfaction while reducing production costs.
- 3) Identify and capitalize on market opportunities for American Lamb.

The Strategy Workshop participants ranked the goals in order and 64% of the audience determined the primary goal was an added emphasis on lamb flavor and its impact on consumer satisfaction. A resulting action plan consists of the development of a Total Quality Management approach on production management effects on flavor that should be utilized to identify and eliminate practices that contribute to negative lamb flavor attributes and utilize best practices that ensure eating satisfaction. Also, an assessment to determine current diversity in lamb flavor and define consumer flavor preferences and expectations in the market place for American Lamb will be important to identify our target. Lastly, we will strive to develop rapid, processing plant-based tools to identify flavor attributes and compounds, segregate current lamb product supply into groups that fit market channels, and implement value-based marketing that delivers predictable flavor.

The second goal to address future improvement in American Lamb Quality focused on actual lamb management with targets for product size, composition, and eating satisfaction. The continued importance of value-based marketing was considered essential to deliver market signals for premium quality and appropriate size and composition. Inherent industry challenges of seasonal supply and demand create a challenge of excess fat that must be addressed. An action plan was created to identify and communicate the cost of fat to each segment (producer to consumer) of the lamb industry, and identify market factors that lead to compositional challenges, and strive to reduce the YG 4s and YG 5s.

The third goal as determined by Strategy Workshop participants was to identify and capitalize on market opportunities for American Lamb. Producers that wish to direct market as well as retailers can identify and capitalize on market opportunities (e.g. local, sheep raising practices, SSQA, etc.). The U.S. sheep and lamb industry should continue to promote the lamb story at the point of purchase (story lamb, source verified, market claims, environment, etc.). Lastly, an opportunity exists to mirror the farmer's market and local trends that verified and locally sourced lamb can be branded and differentiated in the market place.