The Berkshire Niche Market
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“What do I need to know?”
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BERKSHIRE SWINE PRODUCTION AND MARKETING
“Berkshire Niche Market Opportunity Guidelines” (PN03-05B)
Prepared for:
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What is a Niche Market?
Niche Market

- Niche Market – A small distinct market that may provide a higher price for a product that meets a specific customer need.
- Each niche market has a maximum size.
- Problem with niche marketing is “copycats” mislabeling the product to gain short term premiums.

History and Background of the Berkshire Niche Market

- American Berkshire Association founded in 1875 – Oldest purebred breed
- The Berkshire breed has always been noted for excellent carcass quality
- Berkshire Gold Program (1994)
- Royal Berkshire (1998)
- 100 % Berkshire (1998)
Berkshire Production Characteristics

• Hardy and adaptable to both outdoor and confinement production.
• Sows have an excellent disposition and are quite docile.
• Boars – excellent libido and semen quality.
• Boars display an excellent disposition for handling.
• Expected Progeny Differences (EPD's) for Berkshire sires are available from the American Berkshire Association.

Berkshire Production Characteristics

• Purebred = limited heterosis
• Litter Size = (farrow ~ 9.0 – wean ~ 7.5)
• Pigs per Sow per Year = (~ 10 – 15)
• ADG = (birth to 250 lb. market, ~1.35)
• Days to 250 lb. = (~ 180 – 195)
• FE = (5-10% poorer than x-bred, ~ 325 -350 lbs./cwt.)
• LMA @ 250 = (~ 5.75 – 6.00 sq. in.)
• BF @ 250 = (~ 0.8 - 1.2)
• Production constraints may require a 30-40 % price premium over commodity animals.

Where to Locate Berkshire Breeding Stock?

Berkshire Breeding Stock

• ABA – Breeders Directory
  – Good availability and excellent Berkshire breeders in Iowa
  – Approximately 300 breeders in USA
• May be limited volume availability of gilts
  – Most breeders have small herd size
• Good Berkshire representation in boar studs
• Cost = (Boars ~ $500 to $750 / Gilts ~ $225 to $275)
What are the Pork Quality Traits of the Berkshire Breed?

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**Berkshire Pork Rankings for Sensory Quality**  
(NBS 1990 – 1999 progeny test)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Benefit</th>
<th>Berkshire Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Ultimate pH Score</td>
<td>Relates to low cooking loss, better water-holding capacity, high degree of tenderness</td>
<td>First in 6 of 7 measures</td>
</tr>
<tr>
<td>Loin Firmness / Drip Loss</td>
<td>Improved processing quality, tenderness</td>
<td>First in 4 of 4 measures</td>
</tr>
<tr>
<td>Meat Color</td>
<td>Consumers consistently prefer darker pork</td>
<td>First in 5 of 7 measures</td>
</tr>
<tr>
<td>Cooked Loin Quality</td>
<td>High scores for intramuscular fat percent, tenderness and juiciness all predict better consumer satisfaction</td>
<td>First in 4 of 5 measures</td>
</tr>
</tbody>
</table>

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**Typical Berkshire Pork Quality Scores**

- High muscle color scores (3 – 5)
- Desirable marbling scores (2 - 4)
- High ultimate pH values – (5.8 +)
- Consistently yields carcasses that have:
  - Low cooking loss
  - Low reflectance scores (Minolta)
  - High intramuscular fat (IMF) scores
  - Excellent tenderness and juicy scores
Berkshire Pork

- Berkshire pork is highly palatable to the consumer due to flavor characteristics.
- Excellent pork dining experience (taste, tenderness, and juiciness)
- Growing preference by chefs for Berkshire pork on their menu.
- Have you had your serving of Berkshire Pork today?

What is the 100% Pure Berkshire Pork Program

100% Pure Berkshire Pork Program is a marketing program
ABA makes three claims in the 100% Pure Berkshire Pork program:
- Pork is from purebred Berkshire market animals that are progeny of pedigreed parents.
- Pork from a given day’s processing at licensed packers can be traced to the groups of market animals from farms where they were raised.
- Operators of all certified herds follow the production guidelines established in the National Pork Board’s PQA Level III program.
Certification for 100% Berkshire Program
• ABA certification program is an auditing program to ensure the integrity of the 100% Berkshire program.
• Accomplished by the registration and certification of all pigs through the American Berkshire Association.
• ABA 100% seal certifies that the Berkshire pork is genuine, fully registered and with unbroken pure genetic heritage, traceable to its family farm origin.

100% Pure Berkshire
• Two Methods to produce 100% Pure Berkshires
  – Maintain a purebred registered herd
  – or
  – Develop a Certified Commercial Herd
• Producer has the option to be a registered herd or a certified herd but not both

Certification for 100% Berkshire Program
• Some producer groups are making the claim of 100% purebred Berkshires with DNA testing.
• Problem with DNA test – Test does not detect the difference between pure Berkshires and Berkshire crossbreds
• Refer to the scientific review of the DNA test for Berkshire parentage by Dr. Rodger Johnson, University of Nebraska for a complete discussion of DNA testing. (available through the ABA)
• Only non-mutant HAL 1843 and non-mutant Rendement Napole gene Berkshire sires can be used.

100% Pure Berkshire Registered Herd
• Senior Membership is $10.00 and an annual maintenance fee of $20.00/year.
• Junior Membership – No charge for those under 18 years of age.
• Receive an ABA herdmark (3-4 letters or numbers) designation - $5.00 Fee
• Follow ABA pig registration guidelines
  – Each litter and individual pig must be earnotched
  – Record litter and all eligible pigs / $12 under 90 days of age (1-149 litters), $10 for 150 or more litters, and $50 over 90 days
100 % Pure Berkshire Certified Commercial Herd

- Criteria for a Certified Commercial Herd
  - All hogs pure Berkshire
  - Sows and boars registered with the ABA
  - All Berkshire breeding animals must be stress negative
  - Herd must be PQA Level III
  - All progeny will be ear notched within 7 days but pigs will not have to be recorded with ABA.
  - Only slaughter pigs may be produced. Gilts and boars are not to be retained in herd or sold for breeding stock.

100 % Pure Berkshire Certified Herd

- Criteria for a Certified Berkshire Herd
  - Hogs are to be marketed only to an entity under contract with the ABA on the 100% Pure Berkshire Program. (ex: SIG)
  - Pigs sold and transferred into a certified herd must have a mandatory ABA ear tag ($1.00 tag cost). Tag number is recorded on the transferred pedigree.
  - Fee for a certified herd is $12.00/sow/year to the ABA.

100 % Pure Berkshire Feeder Pig Finisher

- Feeder Pig Finisher
  - Receives pigs from either a registered or certified sow herd
  - Fee is $1.00 / head at market to ABA

100 % Pure Berkshire Certified Packer

- Certified Packer
  - Sign licensing agreement
  - Follow the ABA guidelines for handling incoming animals and outgoing pork
- Current licensed packers
  - SIG International, Boyden, Iowa (~ 1400 head / month)
  - Berkshire Meats, Inc., Clarks Grove, Minnesota (~1000 head / month)
- Packer fee for license to ABA
  - Export market - $1.25 per head
  - Domestic market - $5.00 per head
100 % Pure Berkshire Licensed ABA Certified

- Certified Registered Herds
  - ~ 20 herds
- Certified Commercial Herds
  - ~ 15 herds
- Certified Feeder Pig Producers
  - ~ 4 producers (finishing pigs)
- Certified Packers
  - Two (2) Packers
    - SIG International, Iowa and Berkshire Meats, Minnesota

ABA and BMP Relationship

- American Berkshire Association (ABA)
- Berkshire Meat Products, LLC (BMP)
- BMP is a wholly owned subsidiary of the ABA
- BMP purpose is to provide marketing support for Berkshire pork producers and their customers.
- BMP contracts with third parties for marketing and sales services.
Who are the ABA Certified Producer Marketing Groups?

ABA Certified Marketing Groups

• Dr. Pete Hoffman Group, Iowa (7 farms = 200-300 hd. / mo.)
• NW Missouri Berk Breeders, Sager, et al (6 farms)
• Beckman Farm, Minnesota (10 farms = 600-800 hd. / mo.)
• Berkshire Meats, Inc. (BMI), Dr. Rodney Goodwin Group, Iowa/Minnesota (6 farms = ~800 hd. / mo.)
• Oak Hill Farm, Mike and Dan Hodges, Nebraska/Kansas (8 farms = ~300 hd. / mo.)

Who are the Non-Certified Producer Marketing Groups?

Non-Certified ABA Berkshire Marketing Groups

• Eden Natural (Kelly Biensen), State Center, Iowa (800 – 1000 hd. / mo. – 20 farms)
• Berkridge (Pro Pork & Sioux Preme Packing), Sioux Center, Iowa (~2400 hd. / mo. – 18 farms)
• The Seaforth Company, LLC, Ken Kehrli Group, Winthrop, Iowa (Network of numerous independent family farms)
• Six Point Berkshire, Cottonwood, Minnesota (600 – 800 hd. / mo. – 35 farms)
• Snake River, Boise, Idaho (Receives product from Midwest Growers, 1400 – 2100 hd. / mo.)
Farm to Consumer Direct Marketing

- Several independent producers are using 50 - 100% Berkshires to market directly to the consumer.
- Check the National Pork Board – Niche Pork web site

Berkshire Marketing

- Primarily export to Japan – New Japanese maximum residue level standards implemented 5/29/06 – Check National Pork Board Website for more information: www.pork.org/Producers/JapanMRLContinued.aspx
- ZERO tolerance for drug residues
- Black hair and mange problems at plant (trim of carcass)
- Maintain excellent health – no condemned carcasses
- Practice animal handling and trucking as recommended by Trucker Quality Assurance (TQA)
- Follow Pork Quality Assurance Guidelines (PQA)
- Because extra premiums are paid for 100% Berkshire hogs – extra management and care should be practiced to insure a quality product to the packer and consumer.

What Must Be Considered When Marketing Berkshire Niche Pork?

What Market Premiums Can I Expect From a Berkshire Niche Market?
Market Premiums

- Approximately - $10 / cwt live base premiums are available
- Premiums and incentives paid by the various marketing groups will vary. Check with marketing group for specific specifications.

Berkshire Economics

- To be involved in the Berkshire Niche Market a high level of management skills will be needed.
- Decision Aids are available on an Excel Spreadsheet to make a quick analysis of the Berkshire Niche to Commodity Production.

Berkshire Decision Aids

What are Economics of Producing Berkshire Niche Pork?
Where Can I Find Berkshire Information and Educational Resources?

Resource - Organizations
- American Berkshire Association
- Berkshire Meat Products
- National Pork Board
- Pork Niche Market Working Group

Resources – Magazines & Manuals
- *Breeders Digest* – Official publication of the Berkshire, Chester White, Poland China, and Spot breeds.
- 100% Pure Berkshire Pork - Program manual
- 100% Pure Berkshire Pork – Producer Training Manual
- American Berkshire Association – Member Handbook

Resource – Scientific Publications
- “DNA Tests to Certify Berkshire Parentage – Report to the American Berkshire Association” Dr. Rodger Johnson, University of Nebraska, Lincoln, Nebraska September 4, 2001
Resource - Web Sites

- American Berkshire Association  www.americanberkshire.com
- Berkshire Meat Products, LLC  www.berkshiremeats.com
- Agricultural Marketing Resource Center  www.agmrc.org/commodity/livestock/pork
- National Pork Board Niche Market  www.nichepork.org
- Eden Natural  www.betterpork.com
- Berkridge  www.berkridge.com
- Six Point Berkshire  www.sixpointberkshire.com
- Snake River Farms  www.snakeriverfarms.com
- Pork Niche Market Working Group  www.pnmwg.org
- Heritage Foods USA  http://www.heritagefoodsusa.com/

Berkshire Material Developed by Larry McMullen

- Project Document - Berkshire Swine Production and Marketing
  “Berkshire Niche Market Opportunity Guidelines”
- Decision Aid - Farrow – Finish Excel Spreadsheet
- Decision Aid - Feeder Pig-Finisher Excel Spreadsheet
- Power Point Presentation – “Berkshire Swine Production and Marketing”

Where do I find the “Berkshire Swine Production and Marketing Material” by Larry McMullen

Pork Niche Market Working Group (PNMWG)  www.pnmwg.org
American Berkshire Association (ABA)  www.americanberkshire.com
National Pork Board – Niche Market (NPB)  www.nichepork.org
Iowa Pork Industry Center (IPIC)  www.ipic.iastate.edu

Is there a Berkshire in your future?