Tennessee Grass Fed Farm

Introduction

Tennessee Grass Fed Farm sells beef directly to consumers in Montgomery, Cheatham, Davidson, Williamson and Rutherford counties. The business started as Phil and Kathy Baggett decided to transition the two century farms they owned from row crop production to pasture to produce 100 percent grass-fed beef for local sale. They started selling at the Downtown Clarksville Farmers Market in 2011, adding the Murfreesboro Main Street Market in 2012. Partnering with a neighboring cattle farm, which provides most of the production management until harvest, allowed Phil to more rapidly increase capacity beyond just his farm. This partnership has also allowed Phil, a successful business executive and entrepreneur, to exercise his own strengths to build an end-customer-focused business and grow the market.

Concentrating on the End Consumer

Focusing on farmers market sales allowed the Baggetts to pursue their strategy of selling the product directly to the end consumer. “I’m more and more convinced that the individual retail account is very valuable,” Phil said. By personally staffing both farmers market stands from the beginning, Phil
“We’d like to continue to grow the business, first of all with our own cattle, but then perhaps have some people who grow for us on contract as well,” according to Phil. and Kathy were able to hear what is important to their customers. “You listen to what your consumers say, and you adjust your program to meet their requirements,” advised Phil. The new venture has built a list of more than 1,600 farmers market customers.

His customer service principle is simple – the customer is always right. “Regardless of who caused the problem, you fix it,” he said. “It’s cheaper in the long run. Word gets around.”

Phil has learned that his customers value most the facts that his beef is both local and produced without the use of added hormones and antibiotics. The farm’s system produces an entirely grass-fed product. Phil believes 100 percent grass-fed is the next most important characteristic to his customers, and he sees future growth potential for that niche. “What seems to be gaining customer acceptance is beef from animals that have not had any corn in their diet,” he notes. The farm also complements its beef by offering pork produced in partnership with John David Wilhelm and free-range chickens purchased from other local farmers.

Listening to his customers has helped Phil make adjustments in production and processing methods to provide a more desirable product. “My customers generally want leaner cuts and smaller portions,” he said. He targets a 12-ounce size on New York strip and ribeye steaks and slightly larger on sirloin steaks. Although the meat is not given a USDA Quality Grade at the time of harvest, a trained USDA grader has evaluated several carcasses in the past and determined they would likely receive grades between High Select and Low Choice. To help reach his production goals for smaller cuts and leaner meat, the farm feeds and harvests heifers only.

To keep up with consumer demand, the farm has to stay in close communication with its processor, who also has insight on the preferences of end consumers. Phil said it is hard to overstate the impact of the farmer-processor relationship on the quality of the final product and the customer’s impression of that product. “Ask the processor for suggestions and give frank feedback, while remembering every animal is
different,” he advised. He also recommends taking advice from processors about product seasonality – more roasts and stew meat in the winter, more kabobs and ribs in the summer. “Processors can give you good advice on changes to make throughout the year,” he said.

Selling at farmers markets also allows the Baggetts to meet their customers and receive face-to-face feedback on their products. But Phil said that they have to take the initiative to maintain customer relationships. Through 2013, he has relied on a website and direct email to communicate. The farm maintains an email address list of every customer who has purchased at the farmers markets. Customers receive a short newsletter promoting specials almost every week. The Baggetts also maintain a Facebook page for the farm.

Finally, Phil has found it important for his customers to be able to access the farm where the cattle are raised. “Many customers want to come to the farm and see the animals,” he said. “If you can accommodate this request, the payoff in loyalty and word-of-mouth referrals is tremendous.” The farm offers tours to those who request in advance. The farm has also partnered with Montgomery County schools and UT Extension to provide high school students a view of the importance of science and technology in agriculture.

Making Buying Easy

Online transactions accounted for about 15 percent of the farm’s sales in 2013. The Baggetts see this as a growth area. “Our customers are Internet-savvy,” Phil said. Making the product available online makes the product purchase easier for that kind of consumer. “A good website, with the ability to both buy and pay online, is critical,” said Phil. Customers have the option of picking up their order at the two farmers markets, at the farm store (open six hours per week in 2013) or at other local pickup points.

It is important to be able to take electronic payments, Phil said, whether online, at the farmers market or at the on-farm store. “You need to be able to process credit cards almost anywhere and anytime,” he said. The farm uses a mobile credit card processor that provides transaction details. In the future, Phil plans to integrate the system with his accounting software, to avoid double entry.

Efforts to extend sales past the local farmers market season are important to increasing overall annual sales, said Phil. The farm formed its own “winter market” in Clarksville, which is held in a fitness center. In Murfreesboro, the farm has been a part of a small indoor market held in a mixed-use commercial/residential property after the downtown market season ended in October.

Looking Ahead

The Baggetts see the local market continuing to grow for their grass-fed beef. They harvested 57 cattle in 2012, doubling that amount in 2013. They will be increasing the
This publication is part of the Tennessee Value-Added Beef Program, which is made possible in part by funding from the sale of agricultural specialty license plates (the “Ag Tag”). Funds received from Ag Tag sales are returned to the agricultural community in the form of grants for youth programs, marketing development projects and other agricultural activities.

Funding for the development of this publication was provided in part from the USDA National Institute for Food and Agriculture and the Southern Risk Management Education Center through a 2012 Extension Risk Management Education Grant.

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