

Value-added Agricultural Success Story



Neola Farms

This story is one of a special series of value-added agricultural enterprise successes in Tennessee. The entrepreneurs featured have worked with specialists at the Center for Profitable Agriculture in different ways to achieve various levels of start-up, sustainable and long-term enterprise success. I hope their stories will be interesting, informative and inspiring.

Rob Holland, Director, Center for Profitable Agriculture



Mike and Charline Lenagar direct market Neola Farms Black Angus beef to Memphis area restaurants and customers at the Memphis Farmers' Market.

Neola Farms has been owned and operated by Mike and Charline Lenagar for the past 25 years. The couple raises a purebred, registered herd of Black Angus cattle on their 150-acre Tipton County farm. Mike is a third-generation cattle rancher; Charline's grandfather owned a feedlot and was a butcher. Together, they've used their background and experience to create a viable direct-market, custom-beef operation.

About 15 years ago, they decided that selling their beef directly to the end consumer would be the best way to capture the value of their high-quality product. At first, the Lenagars sold to friends and family who wanted halves or quarters. As word quickly spread about their meat's excellent flavor and tenderness, *Neola Farms* beef soon attracted outside demand.

Before expanding further, however, the couple had to learn the regulations that direct-marketing meat requires. "Initially, it was very challenging," Charline recalls. "Even though we were discouraged at times, we finally sifted through all the laws."

Mike says the idea to go forward was solidified after he attended a Center for Profitable Agriculture (CPA) conference, *Marketplace for Ideas in Agriculture*. "In his presentation, Rob Holland convinced us we had to cut out every possible middleman, except the processor," Mike recalls.

The Lenagars have established high-quality standards for raising their cattle with natural production methods and minimal environmental impacts. "We start with superior animals, and we keep the quality high from birth to butcher," Mike explains. "We're not competing with inexpensive meat or big chain grocery stores. That's not what our customers want."

The family operation also purchases Black Angus steers and heifers produced under their prescribed quality standards from five other ranchers in Tipton County. In essence, the trickle-down, value-added economics has created an



"The name, Neola Farms, is a tribute to Mike's daddy, who lived in the small town of Neola, Kansas," says Charline.

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alliance of producers with superior stock who all see the benefit of investing in the highest standards.

"Sales have really taken off during the past three years," Charline says, "especially after we realized there was a potential market in the restaurant business." They began with cold-call sales pitches to chefs. "We gave out samples, and they were hooked!" adds Mike.

Today, seven upscale restaurants in Memphis carry *Neola Farms* Black Angus beef and an additional seven are on a waiting list. As the restaurants brought in a steady business, prominent clientele soon wanted to know how to purchase the beef for themselves. "The restaurants and chefs have really publicized us," says Mike. "They want front-door delivery, complete with me wearing my western hat. Customers like knowing where the beef is coming from."

This same approach is what drives their success at the Memphis Farmers' Market. Mike credits CPA marketing specialist Megan Bruch with suggesting they sell at the farmers' markets. He estimates that nearly two-thirds of repeat customers bring someone with them on their next trip to the market. Because *Neola Farms* has developed strong product recognition, the Lenagars no longer worry about paying for advertising. And even though their beef is pricier than chain-store meat, sales have been brisk. The Lenagars have found that consumer desire to buy fresh, local products will over-ride the price. "It's not just a small demographic. We see the demand for quality across all economic backgrounds," explains Mike.

Having a presence on the Internet is another way to promote their product. Charline wants consumers to understand why *Neola Farms* is worth the extra expense, so she maintains the official Web site, which offers information about their beef production methods as well as recipes and preparation ideas.

Now that *Neola Farms* has become a recognizable name in the Memphis area, the Lenagars are contemplating building their business throughout the Mid-South. They believe their success has been accomplished through hard work, faith and the sense of accomplishment they gain from making their product available.

"We enjoy being able to supply good food to our neighbors," Mike says.

The mission of the Center for Profitable Agriculture is to help farm families improve income by identifying new ways to add value to food and fiber products through processing, packaging and marketing. We focus on three areas:

- Working with families and entrepreneurs to analyze value-added agricultural enterprises;
- Implementing market development studies to determine the viability of new products;
- Conducting educational programs for Tennessee farmers and agricultural leaders.

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