

## Director's Digest



LARRY E. DAVIS  
Director - Technical Services

2250 E. DEVON AVENUE  
DES PLAINES, ILLINOIS 60018  
AREA CODE 312-827-0139

JULY, 1985

No. 160

### MARKET DEVELOPMENT OR MARKETING?

#### THAT IS THE QUESTION

Industry members indicate that they use different "marketing strategies" in selling rendered products. But what about a precise **MARKET DEVELOPMENT PROGRAM**? Members of the rendering industry must begin to make long range plans that include a step-by-step program to promote the use of quality rendered by-products by various industries throughout North America and Mexico.

What is **MARKET DEVELOPMENT**? According to Webster, the word "Market" is: (1) a meeting together of people for trade by purchasing and sale and (2) the rate or price offered for a commodity. The word "Development" is defined as: (1) to unfold gradually or in detail (2) to bring out the possibilities of (3) to make more available or usable (4) to go through a natural process of growth and differentiation or (5) to become more apparent of potential.

Industry members keep saying "we don't need Domestic Market Development". This seems to say, "we are satisfied with receiving commodity prices for rendered products." This attitude prevents the industry from taking advantage of available market potential. The utilization of rendered products by the soap industry, chemical industry and the feed industry has not reached the potential that is available. However, as long as you continue to simply market rendered products via the old marketing methods, you are not going to achieve the desired utilization or prices. What the Rendering Industry needs is a strong, bold and aggressive Domestic Market Development Program. This program can only come through dedication, hard work, promotional programs and adequate financial support by the industry.

Success in domestic market development requires focused efforts. The area with the greatest potential outcome is the industry which provides the first challenge and opportunity. Thus, the feed industry is the most likely area for domestic market development efforts.

Once this development has gone forward at a satisfactory pace we can then turn our focus to other industries for further market development. Since the feed industry is the first industry where the rendering industry could improve utilization of it's products, it is strongly advised that the rendering industry should learn everything that it can about the feed industry and why this industry does and doesn't utilize various feed ingredients in livestock feed formulations.

The most economical means of obtaining such information is to engage someone with that expertise. This will put the domestic market development program at least one year ahead of any other plan.

What are the basics for a Feed Industry Domestic Market Development Program for the Rendering Industry? Development of the potential "hit list" of feed manufacturers in the United States, Canada and Mexico should be the first item of business. This list should include the major companies first, with medium sized and large regional companies listed second and smaller national companies, and larger companies serving only a small area of the country listed last. Promotional materials must be developed which outline the benefits of utilizing rendered products in livestock feed formulations which have been obtained through the research activities of THE FATS AND PROTEINS RESEARCH FOUNDATION. Market development visits to the larger feed manufacturers should then be started in an effort to increase the use of rendered products by these manufacturers. Calls on other feed manufacturers can be worked into the program during the first two years of the program, as time allows.

Promotion of rendered products through Nutritional Symposiums, American Feed Industry Trade Shows, National Pork and National Cattlemen Association Trade Shows, Texas Cattlemen's Trade Shows, Southeast (World) Poultry Congress Trade Shows and other such Trade Show Meetings must be an ongoing activity if increased utilization of rendered products is to be expected by the feed industry and livestock producer. This activity CAN NOT BE FOR ONE YEAR ALONE. It must be ongoing, with updated promotional materials and new suggestions for the industry if increases are to be obtained.

Efforts must be made to change out-of-date profile data for various rendered products. This effort will be a success only when the rendering industry is producing the highest quality products and research efforts provide evidence that higher nutrient profile data should be utilized for the various products. It can be accomplished but each and every one of you must put forth the effort to accomplish this or ALL industry members will suffer.

At this point, it is obvious that Domestic Market Development for the Rendering industry involves more than making telephone calls to members of the industries utilizing rendered products. A solid Domestic Market Development Plan which identifies the goals, priorities and interventions is essential for growth of the rendering industry beyond TODAY'S COMMODITY MARKETING.

As industry members, you must take a "Star Wars" approach to Domestic Market Development and plan for the future.

\*\*\* END OF REPORT \*\*\*