

Marketing Ratite Products

Three ratite species are raised commercially in the United States, namely ostriches, emus and rheas. Ostriches are the most familiar and their products are easier to market than those of the emu and rhea. Commercial ostrich farming started in South Africa over 150 years ago, thus ostrich products, especially feathers and hides, have a long marketing history. By contrast, the commercial farming of emu and rhea is recent and products from these species are attempting to find a place in the market.

PRODUCTS AND PRICES

Meat

Not all ostrich products are as easily marketed as its hide and feathers. Ostrich meat has yet to achieve widespread market penetration. Currently, ostrich meat is sold only in upscale grocery stores and restaurants as an expensive exotic specialty meat.

Ratite meat is very lean and has the texture and color of beef. It also has less fat and calories than chicken, turkey, beef or pork. It is high in protein and iron, and may be low in cholesterol. When properly prepared, ostrich meat compares favorably with beef steak. The prime cuts on an ostrich come from the thigh, where the filet and steak cuts are taken. Less prime cuts, such as roasts, ground meat and stew meat, are taken from the drumstick. Ratite meat is also processed into products such as jerky, sausage (such as pepperoni) and luncheon meats similar to ham and pastrami.

In order for ratite meat to compete successfully with chicken, turkey, beef and pork, consumers need to become more familiar with the product and made aware of the health benefits associated with eating ratite meat. Because fat is not marbled through ratite meat, the meat is very lean and requires special care in preparation. Teaching consumers proper cooking methods is essential since overcooking can make the meat very unpalatable.

Ratite meat is quite expensive compared to other readily available red meats. Ostrich meat is currently selling in excess of \$20 a pound at an upscale grocery store in Orlando and for \$30 a plate at a local restaurant. Prices advertised on the Internet for US produced ostrich meat range from \$13 a pound for prime cuts to \$3 a pound for ground meat and from \$5 to \$20 a pound for various processed meats. High prices limit consumption and discourage trial by many consumers.

In order to sell ratite meat outside of the State of Florida, the birds must be slaughtered in a Federally inspected slaughter house. Currently, there is a slaughter house in the Panhandle that is certified to slaughter ostriches. Two more slaughter houses, near Orlando and Ocala, may soon be accepting large numbers of ostriches soon. A major concern when dealing with slaughter houses is how the ostrich hide is handled. The hide is the most valuable part of the ostrich and if the hides are mishandled, a large part of the value of the bird can be lost.

Foreign competition from Australia and South Africa does not appear to be a problem at this time. Because of Newcastle disease, South Africa is barred from exporting fresh ostrich meat to the US. Australia, like the US, is in the process of developing its ratite industry and appears to be looking at Asia as a lucrative market.

Hides

The hide is the most valuable product from both the ostrich and emu and is prized for its strength and softness. Depending on how the hides are processed, the leather can be made into a variety of products, including clothing, boots, upholstery and accessories such as wallets, belts and bags. In the United States, ostrich hide is largely used for making western boots. An adult ostrich hide averages about 14 square feet and can produce three pairs of boots. Emu leather is thinner and finer-textured than ostrich leather and has a distinctive full-quilled pattern. An adult emu will produce 8 to 12 square feet of leather. The skin from the legs (leggings) is considered to be very exotic. It is thicker and has a raised pattern similar to crocodile leather. It is used to highlight other leather products and is also made into accessories such as belts and watch bands.

Domestic ostrich leather, as advertised on the Internet, ranged from \$35 to \$40 a square foot, depending on quality. According to the United Ratite Ranchers' Cooperative, an emu hide commands one-fourth the price of an ostrich hide.

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Feathers

A viable market for US produced ostrich feathers does not exist at this time. According to the American Ostrich Association, production and processing costs make the marketing of US ostrich feather economically infeasible. In Africa, ostrich feathers are clipped at about 6 months of age, harvested at slaughter, bundled into 5 major categories, and then sorted into 12 major classes. Each class is then further divided by feather grading characteristics. Feather grading includes size, shape, shaft weight, fatty appearance, luster, density, regularity, softness, handling and weathering of the feather. All this can result in more than 200 classes and grades of feathers offered to a customer (American Ostrich Association Web Page, 1996).

The widespread use of ostrich feathers in the fashion industry in the late 1800s fostered development of the commercial ostrich industry in South Africa. The demand for ostrich feathers dropped at the end of the 1800s. This decrease in demand is attributed to the invention of the automobile which made ostrich-plumed hats impractical. World War I also contributed to the decline in demand. Today, ostrich feathers have a variety of applications from industry to the entertainment business. Because of their anti-static quality, they are used in automobile, computer and commercial cleaning industries (American Ostrich Association Web Page, 1996).

Oil

Rhea and emu oil is used in cosmetics and as a folk remedy. It is claimed to be a natural analgesic and antipruritic (reduces itching). Oil can also be rendered from ostrich fat. Rhea oil is listed for sale on the Internet for \$10 per fluid ounce.

MARKET CHANNELS

Direct Marketing Via The Internet

With the exception of ostrich hides, traditional market channels for other ratite products are not well developed. However, a relatively new, non-traditional market tool is currently being used to promote all types of ratite products. Ratite products from the US, South Africa, Australia and Canada are presently being advertised on the Internet by way of the World Wide Web. Educational information on ratites, nutrition, recipes and product claims, as in the case of rhea oil, are included in these Web page advertisements. Advertising via a Web page is a very inexpensive way of reaching a world-wide audience. Web pages are easy to obtain and most Internet service providers, such as America On-Line, provide space on their systems for their subscribers' Web pages. The cost of maintaining a Web page is a function of the amount of space it takes on a provider's hard disk and the number of times that the Web page is accessed. The potential audience is huge, as anyone with a personal computer and access to the Internet can read a Web page. Countries with large numbers of personal computers and easy Internet access include the US, Canada, Europe and Japan. Consumers most willing to change their eating habits and experiment with new foods tend to be more highly educated. These people are also likely to own personal computers.

GROWER ORGANIZATIONS

Although the Internet is an effective way of reaching a large audience, it does not guarantee that consumers will buy ratite products in significant quantities. In the way the Web is set up, potential consumers have to be interested enough in your product to find your Web page, either in an Internet search or through a link from another Web page. In this respect, the Internet is more of a passive marketing tool. A cooperative can be a more active marketing tool and can provide logistical services required to process and distribute ratite products.

Cooperatives can pool the resources of many small producers for more efficient marketing. Cooperatives can establish slaughter and distribution facilities, ensuring a consistent supply of products, negotiate large contracts with big retailers, establish quality standards which can be used to negotiate higher prices and hire professionals to promote their products.

In Florida there is one organized cooperative, the United Ratite Ranchers' Cooperative which is based in Crestview, Florida. Their address is PO Box 1515, Crestview, FL 32536, President: Tommy Carmical

Other Florida ratite grower organizations include:

Northeast Florida Ostrich Association (American Ostrich Association affiliate), PO Box 566, Orange Springs, FL 32182-0566
President: Jim Carpenter

Panhandle Association (American Ostrich Association affiliate), PO Box 310, Vernon, FL 32462, President: Glenda Camp

Florida Ratite Association, 17034 Auburndale Lane, Springhill, FL 34610, President: Ed Armstrong

Florida Emu Association, 3611 Lettuce Larre, New Smyrna Beach, FL 32168, Contact: Glen Carter

North American Rhea Association, 3393 Morning Glory Lane, Laurel Hill, FL 32567, Contact: James Smith