

Here's the Beef: Coleman Natural Products Raises Beefy Issues

By Miriam Raftery, Nutrition Business Journal

Cattleman Mel Coleman has emblazoned a new meaning for the term "branded beef."

If those words evoke images of hides scorched by a branding iron, think again. The progressive rancher has carved out a savory market for Coleman Natural Products, Inc., a company specializing in producing steaks, hamburgers and other brand-name natural beef products derived from cattle raised without antibiotics, growth hormones or other chemicals.

With over \$50 million in annual gross sales, Coleman has corralled an estimated 50 percent share of the natural beef market. In addition to maintaining its own 250,000 acre ranch, Coleman obtains stock from 350 Western ranchers who raise cattle to Coleman's standards. Coleman ranchers round up a whopping 50,000 to 60,000 head of cattle each year to be finished at eight feedlots before sale. The company also raises sheep for natural mutton products, which account for less than ten percent of sales.

Ultimately, the vertically integrated company processes its own meat and provides finished cuts to supermarkets nationwide, as well as overseas. For the past five years, Coleman Natural Products, Inc. has enjoyed a healthy 17 percent growth rate annually--thanks to the leadership and political wrangling of the company's founder and chief executive officer, Mel Coleman.

A fourth generation rancher, Coleman is descended from pioneering ancestors who started ranching in Saguache County in 1875--one year before Colorado became a state.

The veteran cattleman has tackled some new frontiers of his own, blazing new trails which others have since followed. Founded in 1979 as Coleman Natural Beef, Inc., his company became the first to produce meats bearing a USDA "natural" label--a classification Coleman himself fought to establish.

"I don't believe medicines should be used for the sake of production," says Coleman, who became dismayed by competitors who began using hormones in the 1950s to boost growth. He also disapproves of antibiotics for treatment of cattle later sold for human consumption, opting to remove sick animals permanently from his own herds. "We've found too many of the bacteria have become resistant to the antibiotics, both in humans and in poultry production and red meat production," he points out.

Coleman took the bull by the horns and went to Washington, D.C., determined to persuade lawmakers that a federal definition of "natural meat" was needed.

"They said, 'what do you mean, natural?' These are animals; they're all natural," he recalls with a chuckle. "I said, 'It's not natural to give them a sex hormone and jazz them all up. Finally, they gave me a label.'"

But later, the federal government relaxed the standards it initially imposed--a change Coleman criticizes sharply. Here's the beef: "They took out all the stipulators about antibiotics

and hormones and just said natural is meat that has no preservatives and is minimally processed," he says. "The minute they did that, Zacky Farms and Frazier on the West Coast and Purdue and Tyson on the East Coast changed their labels to natural--and they didn't change their production process one iota. All they did was buy more ink."

Convinced that the butchered regulations were giving consumers a bum steer, Coleman began lobbying the government to change its definition of "natural" and establish a new definition that would allow meats produced without hormones or antibiotics to bear USDA "organic" labels if animals were also fed with organic grain. In 1989 he testified before Congress, which passed the 1990 farm bill and appointed a 15-man National Organic Standards Board. But after numerous delays, the Board still has not promulgated revised standards.

"They've exhausted me. I've petitioned them, spent a lot of money, but I might as well give up. That's the frustrating part," says Coleman, who suspects pressure from the chemical industry and ranchers who use the chemicals may be responsible for the stalling tactics.

Coleman already sells beef labeled "organic" in Japan. Lack of available supply of organic grain limits his stock of organic cattle to a single herd raised by Mennonites in Kansas, where weather conditions and terrain are conducive. The bulk of Coleman's cattle are raised for natural meat production.

How much more expensive is it to raise beef naturally than conventionally? Coleman estimates his cost to raise, process and market natural beef is ten to fifteen percent higher than costs incurred by conventional ranchers. Prices for natural meat products sold to consumers average 25 percent higher than non-natural meats. Ground meats and other lesser cuts of natural beef may be priced no higher than similar conventional cuts, while higher grade steak cuts can cost a dollar or two more per pound.

Although Coleman has not yet won his battle for improved labeling, he has become a vocal advocate striving to convince others to eliminate chemicals in meat production, treat animals humanely and practice sustainable agriculture. "I want to expand until the whole industry is raising cattle the way we do," he says. "I just call it `raised right.'"

Coleman cites flaws in post-World War II practices established to raise livestock more efficiently. "As a result, hogs never see the light of day from birth to death. We're seeing pollution caused by a concentrated production system," he says. "We should congratulate ourselves on raising food cheaper, but we've not done it at the real cost--the real cost of pollution, of medicines being spoiled for medical uses, and of losing a European market (which banned U.S. beef in the 1980s due to hormone treatments)."

After grazing on open range lands, Coleman cattle spend their last 100 days at feedlots, where extra space is provided for each animal--a humane practice which also helps prevent illness.

Coleman has also become an outspoken proponent of a rotational grazing system he devised--with startling results. "Prior to 1960, public lands were overgrazed. Maybe I did it unintentionally, and my Dad and Granddad and Great-Granddad," he admits. In addition to preventing overgrazing and helping keep watersheds clean, Coleman maintains that rotational grazing actually increases grass density more than no grazing at all.

Historically, cattlemen and environmentalists have lined up on opposite sides of the political fence. But when concerns about over-grazing public lands arose from environmentalists, Coleman set out to "educate" the latter. "That's why I was willing to be a trustee for the Nature Conservancy," says Coleman, who has also presented program on the merits of rotational grazing to the Sierra Club, National Wildlife Federation and National Resource Defense Council.

Coleman has also taken his message overseas. As a founding member of the Organic Food Alliance, he consulted with Iceland agricultural officials to help them obtain certification as completely organic by the year 2000. He has met with Soviet officials--before Perestroika--and currently travels throughout the U.S. and Japan educating ranchers, retailers and consumers on the benefits of his company's animal raising and production and philosophies.

The company furnishes meat cutter education videos as well as signs, stickers, nutritional information, store demonstrations and recipes to stores carrying its products. "We furnish all the bells and whistles to help our customer sell it to his customer, which is the ultimate consumer," says Coleman, who uses his persuasive skills to convince buyers that natural meat is not only healthier, but cooks faster (since it contains less water) and tastes better than other meats.

The veteran cattleman even has a ready answer for those who argue the merits of raising buffalo instead of beef cattle. "Sure, they're a grazing animal, but there's not a lot of beef on them," he retorts. "We should use the most efficient one."

"It's hard to out-argue me," the affable rancher declares, revealing a bull-headed spirit one suspects may lead him to emerge victorious after locking horns with officials at the USDA over labeling issues. "You could out-argue me," Coleman concludes, "but you'd be wrong. I always win in the end."