



new cuts

An EBLEX Trade Marketing Initiative October 2010

Adding value, increasing profit

Research shows new cutting techniques produce more appealing steaks, deliver greater consistency in eating quality and have the potential for enhanced profit.

Research into consumer opinion on beef eating quality inevitably throws up the common complaint that consumers' main issue is less to do with actual quality, more to do with the fact their beef is often inconsistent.

In our own most recent research on the subject, only 1 in 5 consumers report getting consistent taste, succulence and tenderness when they buy the same steak. Worryingly, 82% of consumers polled claimed they left fat/gristle or tough bits of meat on their plate.

For some time EBLEX has promoted the fact that seam butchery techniques – rather than traditional cutting methods – would help to overcome this issue and deliver a more consistent product, with greater consumer appeal. At the same time, it would also create a more diverse range of steak cuts and, importantly, enhance the overall value of the carcass.

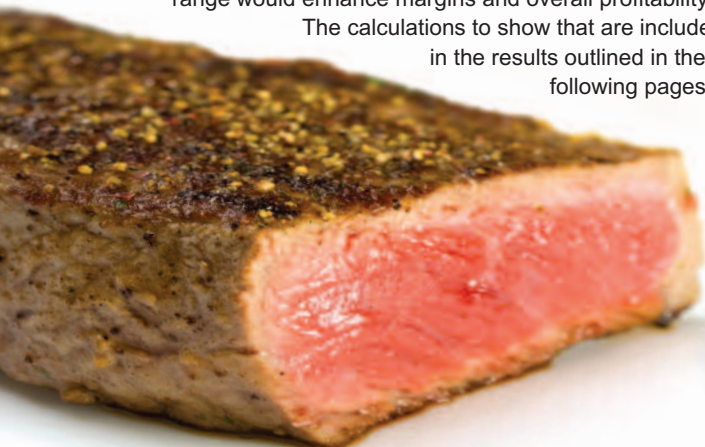
We've put that theory to the test – with startling results.

In controlled test circumstances, EBLEX presented a range of new cuts, all packaged and priced realistically to a panel of consumers. Each product was compared with a 'control' traditional rump steak for visual appeal in the pack and subsequently for its eating quality.

Consumer propensity to buy was also measured. In almost every case, there was a clear preference for the new cuts with consumers indicating they would be prepared to pay more for a product that would deliver on taste, and do so consistently.

Of course, there are additional processing and butchery costs involved; but the additional income to be derived from the new range would enhance margins and overall profitability.

The calculations to show that are included in the results outlined in the following pages.



Appeal Quality Consistency

How to add £millions to the value of the steak market



Since its inception, EBLEX has advocated seam butchery techniques with their potential to derive greater value from the carcass. We've promoted the range of additional cuts that can be produced using these methods compared with the traditional ways of cutting.

For example, by separating the rump primal into three distinct muscle blocks to produce the Bistro, Picanha and Premium Prime rump steaks, we believe it is possible to elevate eating quality and enhance consumer experience. We've also researched the US retail beef market and adapted some excellent work there using the feather blade and major chuck primal to develop a further two steak cuts suitable for the market in England – the Flat-Iron steak (from the feather blade) and the Denver steak (from the chuck primal).

All of this development work has had the double benefit of producing an innovative range of additional cuts that can be marketed while at the same time enhancing the overall value of the carcass. That's a benefit to everyone throughout the supply chain as well as adding to consumer choice.

However, any reluctance to embrace the method of preparing meat following the muscle structure of the carcass seems to be based on the perceived additional processing or butchery costs involved.

Now, I'm pleased to say, we can demonstrate that seam butchery methods are not an act of faith. Our research not only confirms that consumers perceive a quality differential and an enhanced eating experience with the new cuts, it reveals they would be prepared to pay the modest additional costs involved in their preparation.

By cutting just the rump and thick flank as described above, the prize could be a staggering, additional £30million in retail sales. Given a more realistic assumption that 20% of the rump and knuckle would be processed using these seam butchery techniques, the gain in retail sales would still be of the order of £6million*

In terms of consumer perception and enjoyment, the value may well be incalculable.

M Whittemore

Mike Whittemore EBLEX

* For an explanation of how the figures are calculated, see 'Specifications and Costings'.

Delivering what consumers want

Enhanced Appeal



Traditional Rump (control product)



Bistro Steak



Prime Rump Steak



Picanha Steak



Flat-Iron Steak



Centre Cut Steak



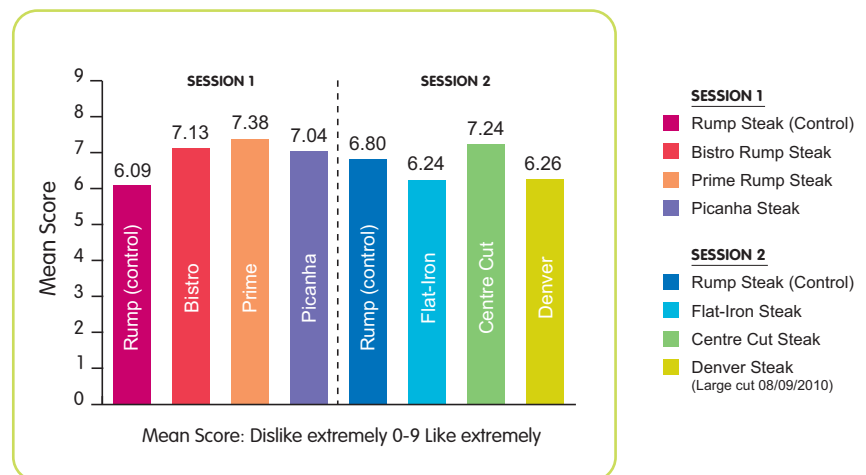
Denver Cut Steak

The Cuts

Our research compared six steaks produced as 'new' cuts with a traditional rump steak. The 'new' cuts tested were: Bistro Rump Steak, Prime Rump Steak, Picanha Steak, Flat-Iron Steak, Denver Steak, Centre Cut Steak.

Each of the cuts was presented, under test conditions, to a panel of consumers to be evaluated on visual appeal, on eating quality comparisons and on consumers' likelihood to purchase. The research was conducted in two separate sessions and the results are presented accordingly in the charts on these pages. The cutting specifications and costings appear on the inside pages.

Display - 'Overall Liking'



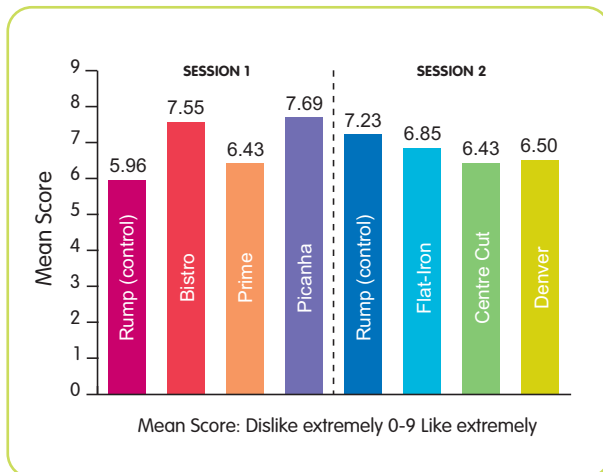
The new cuts look good

In the first research session, the Bistro, Prime and Picanha steaks were compared with a traditional Rump (the 'control' cut). As the chart shows, consumers preferred the visual appearance of the new cuts, scoring them more highly. In the second research session, undertaken with a different group of consumers but to the same criteria, the Centre Cut steak scored more highly than the control Rump on visual appearance while the Flat-Iron was marked slightly below.

Improved *Quality*

Greater *Consistency*

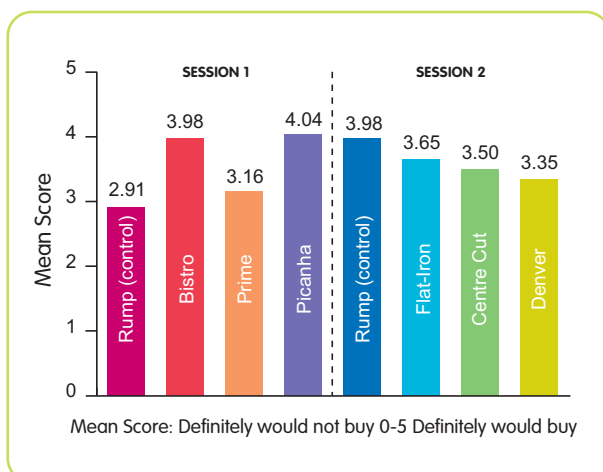
Eating - 'Overall Liking'



Seam cut rumps score on taste

When it came to taste, consumers showed a marked preference for the Bistro and Picanha steaks over the traditional Rump; the Prime Rump cut was also rated more highly. In the second session, which compared the Flat-Iron, Centre Cut and Denver Cut, these performed well although slightly less favourably on taste than the control traditional Rump.

Eating - 'Likelihood to Buy'



Consumers more likely to choose new cuts

Having tasted all of the cuts, consumers were then asked to rate their likelihood to buy the products. Again there was a clear preference for the seam cut rumps with the Bistro and Picanha steaks scoring particularly highly and the Prime also being favoured over the traditional rump.

Consumers identify positive attributes

In the research tests, consumers were asked to consider a number of attributes of each of the cuts – in terms of both appearance and taste – compared with the 'control' traditional rump steak. The most notable comments for each cut were:

Bistro: Consumers felt the Bistro looked tender, lean and of high quality; they commented on the fact there was less marbling than in the traditional rump, which scored higher on colour.

When consumers came to taste the Bistro, it rated higher not only than the traditional control rump, but also more highly than any other cut on being tender and lean. Consumers found it flavoursome and succulent and rated it for its high quality.

Prime Rump: In addition to being scored more highly than the traditional rump on being perceived to be lean, high quality and looking tender, the Prime Rump was thought to be of good colour and to look more tasty than the control product. There was little perceived difference in marbling but it did score more highly on looking good value – despite the price differential (the control traditional rump was priced at £4.30 or £11.48/kg compared with £4.49 or £11.99/kg for the Prime Rump).

Picanha: The Picanha looked more flavoursome and tasty than the traditional rump and also scored more highly on looking tender, lean and of high quality. There was little perceived difference in marbling and the Picanha recorded a similar score on good value as the control product.

When consumers had tasted the Picanha, they rated it more highly than the traditional rump on every criteria – taste, flavour, succulence, aroma, tender, appearance, lean and high quality.

Flat-Iron: The Flat-Iron was scored more highly by consumers on looking tender, lean and of high quality. It also rated higher on having the appearance of offering good value.

Consumers scored the Flat-Iron higher than the traditional rump on being succulent and tender after having tasted them; of particular note was the fact the Flat-Iron was "nice and thick" and of good appearance.

Centre Cut: Looks tender, good value, high quality and lean – all positive qualities attributed to the Centre Cut by consumers. There was little perceived difference in colour compared with the control rump, but was thought to have much less marbling.

There was little difference in the flavour and succulence attributed to the Centre Cut and the traditional rump after consumers had tasted them, but the Centre Cut rated more highly on appearance and on being lean.

Denver Cut: On taste, the Denver Cut out-scored the traditional rump on being flavoursome and having a good aroma. Consumers also rated it more highly on having a good appearance and on being lean.

Specifications and Costings

Traditional cutting methods for rump steak often produce inconsistent product. Here are a few examples of rump steak on sale in supermarkets which illustrates how differently the rump can be presented. The fact that such steaks on sale can contain different muscles from the rump, contributes to the inconsistency in eating quality about which many consumers complain.



The cutting specifications for each of the new cuts that were part of this research are detailed in the EBLEX Cutting Specification Manual which can be viewed on-line at www.eblextrade.co.uk

'Adding £millions' How we arrive at these figures

** From front cover*

The increased value the new cuts add to the market is calculated on the basis that the 'fry/grill' sector of the retail market is valued at £478million a year. The 'rump/frying' element of this accounts for 50% - £239million. Assuming that 20% of such sales will convert to the alternative seam cutting techniques and that this will produce a 13% uplift in revenue, the increase in market value is more than £6million.

By adopting the seam butchery production methods, not only is it possible to generate additional sales income, more importantly it delivers greater gross margin, which we estimate to be an additional 6%.

Traditional Rump (control product)

For the purposes of our research, the Traditional Rump steak presented as the control product was described as British Premium Beef, Extra Matured and priced at £4.30 (£11.48/kg). It is pictured here.



Traditional Rump cutting specification Cutting Specifications manual Reference: B006



Position of the rump.

Remove bone and trim fat to a maximum thickness of 10mm.

Cut steaks 15mm thick and even...

...throughout each slice.

Cut each steak into required portion size.

How the costs compare

To ensure the research was as realistic as possible, all of the cuts were presented with a price point that reflected the processing and butchery costs involved. For example, the Traditional Rump steak used as the control product was priced at £4.30 (£11.48 /kg) while the Bistro carried a price tag of £5.75 (£15.99/kg).

The enhanced margins that can be derived from the new cuts are shown in the tables at the foot of these pages.

Rump Traditional		Rump Alternative - for Bistro, Prime and Picanha Steaks	
Total Saleable Value	70.93	Total Saleable Value	81.14
Total Wholesale Cost	45.12	Total Wholesale Cost	45.60
Gross margin £	25.81	Gross margin £	35.54
Gross margin %	36.40	Gross margin %	43.80

Bistro Steak

The Bistro cut has all the attributes of fillet steak with the flavour of rump. Taken from the *Gluteus Medius* muscle of the rump, it is one of the most sought after cuts in continental Europe. In the UK, a leading premium multiple retailer has been selling the Bistro cut for many years, retailing it as a premium rump product - with price to match.



Bistro Steak cutting specification (B003)



Position of the rump.

Boneless untrimmed rump with the tail muscle (TFL) removed.

Remove the cap muscle by cutting along the seam between it and the rest of the rump.

Separate the remaining two muscles by cutting along the seam between them.

'Premium' Prime Rump Steak.

Slice the side rump muscle evenly across the grain into...

'Premium' Bistro Rump Steaks.

Premium Prime Rump Steak

By separating the *Gluteus Medius 2* – the centre rump muscle – it is possible to achieve maximum and consistent visual appeal. The cut is also easier to slice - giving better portion control – and this cutting technique also allows easy removal of the star gristle.



Premium Prime Rump Steak cutting specification (B003)



Position of the rump.

Boneless untrimmed rump with the tail muscle (TFL) removed.

Remove the cap muscle by cutting along the seam between it and the rest of the rump.

Separate the remaining two muscles by cutting along the seam between them.

Remove excess fat, gristle and connective tissue to leave exposed lean surfaces.

Slice the centre rump muscle evenly across the grain into...

'Premium' Prime Rump Steak.

Picanha Steak

By removing the cap muscle from the rump it is then possible to cut it across the grain to produce Picanha steaks of even thickness. Cutting across the grain also helps to produce succulent, tender steaks full of flavour. This cut is regarded as a delicacy in many South American countries and is popular in top restaurants in southern Europe.



Picanha Steak cutting specification (B013)



Position of the rump.

Separate the cap muscle by cutting along the seam between it and the main rump muscle.

Carefully remove external sheets of gristle from the cap muscle.

Slice the cap muscle across the grain, evenly to a required thickness.

Picanha Steak sliced and ready for sale.

Flat-Iron Steak

The Flat-Iron steak – so called because its shape is that of an old-fashioned iron! – is prepared from the feather blade. It is now firmly established in the USA where it features in most retail businesses and high-end restaurants. In shear force tests carried out on all primals within the carcass by the United States Department of Agriculture (USDA), the feather blade was ranked as the second most tender muscle in the carcass, confirming its potential to produce tender, succulent steaks.



Flat Iron Steak cutting specification (B013)



Position of the feather.

Untrimmed feather muscle.

Remove all visible external fat and gristle.

Remove the muscle and gristle at the anterior end of the feather.

Separate the feather into two parts by carefully cutting on and along the central gristle sheath.

Remove the gristle sheath.

Cut into portions of the required size and score diagonally.

Feather Blade Traditional		Feather Blade Alternative - for Flat Iron Steaks		Thick Flank Traditional	
Total Saleable Value	11.38	Total Saleable Value	13.67	Total Saleable Value	41.34
Total Wholesale Cost	4.08	Total Wholesale Cost	4.08	Total Wholesale Cost	20.08
Gross margin £	7.30	Gross margin £	9.59	Gross margin £	21.26
Gross margin %	64.10	Gross margin %	70.10	Gross margin %	51.40

Consistency

Centre Cut Steak

The Thick Flank/Knuckle primal when traditionally butchered is sold as a roasting joint or used for frying steak. By applying seam cutting techniques, it is possible to add value and improve the eating quality. By separating the muscles within the primal, the centre cut can be positioned as a premium frying cut – and these steaks scored highly in our recent consumer research. Premium diced and stir fry products can also be obtained through this style of preparation.



Centre Cut Steak cutting specification (Thick Flank B005)

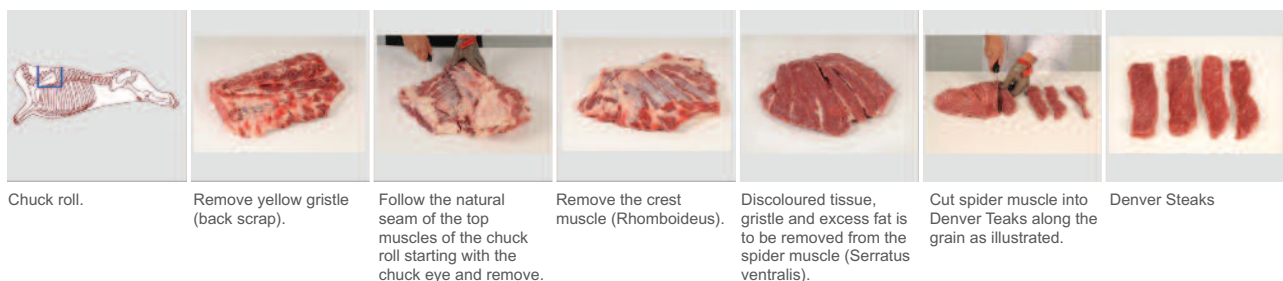


Denver Cut Steak

The Denver Cut is taken from the major chuck primal, the *Serratus Ventralis* muscle which lies under the chuck eye roll. Referred to in some quarters as the spider muscle, the Denver Cut was ranked the fourth most tender muscle in the carcass in shear force tests commissioned by USDA and is now widely served in the US food service sector. While this cut may not be as tender as, say, a fillet steak, it is extremely flavoursome: in our research it appealed to consumers, who rated it as exceptional value-for-money.



Denver Cut Steak cutting specification (B025)



Thick Flank Alternative - for Centre Cut Steak

Total Saleable Value	47.89
Total Wholesale Cost	20.36
Gross margin £	27.53
Gross margin %	57.50

Chuck Primal Traditional

Total Saleable Value	66.92
Total Wholesale Cost	30.73
Gross margin £	36.19
Gross margin %	54.10

Chuck Primal Alternative - for Denver Cut Steaks

Total Saleable Value	73.12
Total Wholesale Cost	30.73
Gross margin £	42.39
Gross margin %	58.00

newcuts

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Another research session is planned to compare and evaluate three further new cuts - Beef Short Ribs, Lamb Chunkies, Lamb Victoria Roast. The results, showing consumer preferences and cost comparisons with traditional cuts, will be published early in the New Year. You can pre-order your copy by:

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EBLEX is the organisation for beef and lamb levy payers in England and is a division of the Agriculture and Horticulture Development Board (AHDB)

