

December 29, 2003

**ADVERTISING**

# The 'S' Word: Will Meat Safety Overrule Taste?

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To set itself apart from fast-food titan McDonald's Corp., the publicly traded Good Times Burgers and Frozen Custard in July made a marketing to-do of switching to "all-natural beef" -- which the company defines as having no hormones, no animal by-products in the feed, and complete traceability of patties back to pasture.

The move -- which at the time seemed costly and risky -- suddenly looks brilliant in the wake of the nation's first mad-cow case. Good Times is scrambling to roll out advertisements touting the safety of its beef.

"We certainly feel better about our decision now," says Boyd Hoback, chief executive of the Golden, Col., company. Discovery of mad cow in the U.S. "plays into our hands," he says.

Step aside, taste. Safety soon could become the hottest marketing factor for beef. To date, food companies -- even those that go to great lengths to ensure the safety of their meat -- have tried to sidestep the issue for fear it would ignite more public concerns than it would erase.

But following last week's discovery of a Holstein infected with mad cow, or bovine spongiform encephalopathy, in Washington State, industry experts expect the issue to move front and center.

## MAD COW HITS THE U.S.



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See [full coverage](#)<sup>4</sup> of the first case of mad-cow disease in the U.S.

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Roger Viadero, a former U.S. Department of Agriculture inspector general who now heads Ernst & Young's national agribusiness-practice unit, predicts that in light of the mad-cow concerns, beef purveyors should and will start advertising the safety measures they take. Already, some food and restaurant companies test imported beef for mad-cow disease, says Mr. Viadero, who has helped Ernst & Young develop a system to trace foods from field to plate. But those businesses have been loathe to advertise their tracking practices, he says.

In Japan, every cow slaughtered is tested for BSE. If the U.S. government -- which currently tests only one in 1,700 cattle -- proposed a Japan-like program, "I'm not opposed to it," says Allen J. Bernstein, chairman and chief executive of **Morton's Restaurant Group** Inc., a New Hyde Park, N.Y., operator of 64 high-end steakhouses across the U.S.

Coleman Natural Products Inc., the nation's largest supplier of natural beef, that is from cattle never fed animal-by products, hormones or antibiotics, warns that testing of all U.S. cattle could be too costly. The Golden, Col., company sells beef to Good Times and large supermarket chains. Mel Coleman Jr., the company's chairman, says he backs testing of sick cows, for example. "However, if this gets so much publicity and blown out of proportion, I'm not for that knee-jerk reaction."

But, if consumers start demanding it, "the industry might not have a choice," says Rob Hurlbut, president of Niman Ranch Inc., an Oakland, Calif., supplier of beef, which says it feeds its cattle only vegetarian feed, and tracks its cattle from birth to slaughter. Niman supplies beef to expensive restaurants across the country and also retails to individual customers online.

No restaurant chain has more experience dealing with consumer reaction to mad cow than McDonald's, which saw its European sales fall 10% in the fall of 2000. (McDonald's declines to discuss any possible marketing campaign related to the U.S. case.) To win back customers in Europe, McDonald's took aggressive steps with graphic ads showing the chain's burgers contain "no offal, no brain, no spinal cord" or other parts where scientists believe the disease resides. The chain also invited customers to visit its European beef suppliers.

**CKE Restaurants** Inc., operator of burger chains Hardee's and Carl's Jr., says if customers seek reassurance, the company would consider advertising the safety of its meat. "Right now, we don't see the need," says Andrew Puzder, president and chief executive of CKE.

The debate is also is raging at grocery chains. Margaret Wittenberg, a spokeswoman for **Whole Foods Market** Inc., a 145-unit Austin, Texas, grocery chain, says Whole Foods would consider supporting wider government testing of slaughtered cattle, perhaps on the scale of Europe's program, which tests all slaughtered cattle over the age of 30 months.

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*Updated December 29, 2003*

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