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CATEGORY PROFILE Meat snacks

Biting back

Meat snacks may not be seeing the same growth as they did during the low-carb craze, but new products and unique marketing efforts show that the category is holding its own.

By Stephanie Soong, contributing editor

You could say that **Choo Choo R Snacks**, a privately owned, Lebanon, Pa.-based meat snack purveyor, is going full steam ahead, despite the economy.

"People seem to be buying more jerky now than ever," says Pat Sherburne, company president and sales manager. "We're having a good quarter."

He attributes the company's success mainly to the decline in gas prices, as well as a focus on pushing its new product introductions from 2008.

Choo Choo R's story is reflective of the meat snack category in general -- holding steady despite hard times. According to Information Resources Inc., dollar sales of dried meat snacks in the supermarket, drug, convenience and mass merchandise channels (excluding Wal-Mart) in the 52 weeks ended June 14, 2009, hit \$1.19 billion, up 2.6 percent from the previous year.

"There's a tremendous amount of opportunities in the category as manufacturers come up with smarter products," says Justin Havlick, CEO and president of Thanasi Foods in Boulder, Colo.

To that end, new partnerships have progressed over the year. Oberto Sausage Co. ended its 10-year meat snack partnership with Plano, Texas-based Frito Lay North America in May; Frito-Lay then teamed with Jack Link's to create a new meat-snack brand called Matador, which is aimed at teens.

Boutique meat snack purveyors are also contributing on the innovation front. "There are a lot of small producers doing gourmet and re-energizing the product line," says Sherburne.

He adds that while convenience stores are still a main distribution channel, online sales are particularly attractive to gourmand meat snackers.

Other brands, however, such as Jack Link's, are focusing on mainstream channels. While meat snacks were once considered as simply fuel for the outdoors crowd, new users, such as women, discovered the category during and after the low-carb craze.

Also, according to Mintel, a bright spot in the category is Hispanic interest in pork rinds. Hispanics across all cultures gravitate toward pork rinds not only as snacks, but also as a cooking ingredient, says Mark Singleton, vice president of sales for Rudolph Foods, a leading pork rind company.

"It's a solid category," says Jeff LeFever, director of marketing for Jack Link's. "The challenge for everyone is to make sure that the category continues to move into the mainstream."

Healthy debate

For more than 50 years, Rudolph Foods, a pork rind manufacturer based in Lima, Ohio, has prided itself on being a "good for you" kind of snack.

"[Our products have] zero carbs and are naturally trans fat-free, and 60 percent of our fat is good fat, the same kind that's found in olive oil," says Mark Singleton, Rudolph's vice president of sales and marketing.

"Although it's true that pork rinds, sausage sticks and the like are low in carb content and primarily gluten-free, they are not snacks I would generally recommend to anyone on any regular basis, due to their sodium and fat content," says registered dietician Kelly O'Connor.

Dr. Daisy Merey, a physician who has specialized in bariatric medicine for nearly 30 years, agrees. "For preservation purposes, [meat snacks] have to use a lot of salt and [can] retrain kids' taste buds to crave salt," Merey says.

Jeff LeFever, director of marketing for Jack Link's, admits that meat snacks may not be in the same health category as yogurt or almonds. "We're not quite as good for you as other protein sources, but we're convenient," he says. "And we're a little bit better for you than other salty snacks. It's that middle-ground compromise, and people hit on that."

What's new

Super freak

Moorpark, Calif.-based Bacon Freak launched its new Bacon Jerky line made with dehydrated, hickory-smoked, dry-cured and hand-rubbed country bacon, and created by hand. There are six flavors available, including Summer Tomato BLT. Each 2-ounce package retails for \$11.95.

Power up

Sartell, Minn.-based Power Hungry Foods became the first to introduce Lightning Rods, energy-enhanced meat sticks made with 100 percent beef, guarana and ginseng. The sticks, which promise to provide five hours or more of energy, have a suggested retail price of \$1.99 each.

Teen spirit

Meat snack maker Jack Link's in Minong, Wis., unveiled Matador, a new meat stick line geared toward teens. The sticks, which will be sold and distributed by PepsiCo's Frito-Lay North America division, have a suggested retail price of 99 cents.

Hot and tangy

Thanasi Foods in Boulder, Colo., added a Chile 'n Lime Steak Stick item to its line of Frank's Redhot meat snacks, created via an agreement with French's Foods. The new flavor retails for \$5.99 per 3.5-ounce bag.

Q+A: BRISKET CASE

There's a first time for everything. Just ask the folks at Thanasi Foods, a privately owned Boulder, Colo.-based company, who launched a line of meat snacks in 2008 with Stubb's Legendary Kitchen, a purveyor of barbecue sauces, rubs and marinades. Thanasi prides itself on being the first to nationally distribute a brisket meat snack through its Stubb's Spicy Bar-B-Q Beef Brisket Strips, and continues to come up with innovative products under its other brands, Jim Beam and Frank's Redhot. Thanasi President and CEO Justin Havlick discusses what's in store for his company and the category as a whole.

How successful has the brisket product been?

The Stubbs line has been embraced by consumers pretty well. The flavors, taste and bite tenderness deliver something different.

Our goal is to make consumers perceive those products as meal replacements. We try to get as close to a dining experience as possible as far as taste and tenderness is concerned. You want that consumer to bite into it and get the same sensation as eating something they've ordered in a barbecue restaurant.

Where does Thanasi source meat for its meat snacks?

We are 100 percent U.S.-made, and our beef comes from the United States. In the past, most companies had sources outside the U.S. to reduce costs. We feel you can reduce costs, but you can do it too far to the point that it reduces quality. We don't want to compromise quality for our consumers.

What's your near-term outlook for the meat snack category?

People love beef jerky, and consumers having that hunger for quality meat snacks means more opportunities for the category. There also has been a lot of marketing, not just from ourselves but also our competitors, who are bringing new users to the category. There are tremendous growth opportunities.

Going to extremes

Variety is the spice of life, and some meat snack companies are taking that old adage to the extreme with off-the-cuff flavors, exotic meats and even amped-up energy meat sticks. And meat snack connoisseurs are eating them up, so to speak.

Take Bacon Freak Gourmet Bacon Club, distributed by Coastal Vineyards Inc., a purveyor of gourmet and wine gifts based in Moorpark, Calif. Last November, the club unveiled a line of Bacon Jerky with six flavors, including Summer Tomato BLT and Honey BBQ, on its Web site. "It certainly has a following," says founder and owner Rocco Loosbrock.

And that buzz can be polarizing at times. "People either love it or think it's disgusting and spit it out," Loosbrock explains, citing its chewy texture as a main gustatory hurdle for some.

Some companies are going for more exotic options. Jerky.com, a Wichita Falls, Texas-based online jerky retailer, offers alligator, ostrich and elk under its proprietary brand. And Lebanon, Pa.-based **Choo Choo R Snacks** offers Big Buffalo Ole Smokies meat sticks and Venison Jerky.

Another item being distributed by **Choo Choo R** is the Lightning Rod, created by Sartell, Minn.-based Power Hungry Foods. The meat stick, which hit the marketplace in March, is infused with guarana and ginseng to provide a high-energy kick that lasts for five hours or more.

"Early consumers have all been receptive to it," says Jimmy Hawkins, vice president of sales and marketing, who co-founded Power Hungry Foods with President Greg Bearson. "We now have about three to four famous pro athletes who are regular users of the product."

So what's driving consumers to demand new products that push the flavor envelope? "I think people fancy themselves as jerky gourmets," says Pat Sherburne, **Choo Choo R** president and sales manager. "You have to add new items to keep people interested."
