



# Partnering for Customer Value snapshot: OBE Organic

OBE Organic is a producer owned company, run on co-operative principles. Formed in 1995 by a collaboration of 30 farming families, the company exports certified organic, grass fed beef around the world. Together the families own over eight million hectares of grazing land. OBE Organic markets ~12,000 head of cattle annually, exporting 75%.



## Snapshot

### Industry

Meat

### Location

Channel Country, Central Australia (QLD, NT, SA)

### Timeframe

- Established: 1995
- First exports: 1998 to Japan
- Opened new headquarters: 2016

### Transformation

Individual producers with a product the main stream market increasingly did not value → Collaborative brand that receives premium for organic, grass fed beef

### Key investments

- Initial \$1,000 investment by 30 members to buy shares
- Accessed federal support to finance consultant/facilitator to establish collaborative structure

### Key markets

United States, Canada, Asia

## Tools/Models

Focus on creating end-consumer demand pull rather than simply relying on marketing push, even though OBE Organic does not create retail packaged products.

“OBE has had great success with in-store demonstrations and tasting, with the farming families mingling with the customers. This ‘meet the producer’ element has a powerful impact with shoppers in overseas markets. OBE Organic uses social media with great effect to build a relationship with consumers. Its website heavily promotes the provenance story, featuring farmer You Tube videos which strikes a strong chord with overseas consumers who have a romantic notion of regional Australia.”

David McKinna, Author

## Concepts



Consumer demand pull



Hard to replicate advantage



Value chain partnerships



Customer development model

## Critical Success Factors

1. Focus on the customer development process; discovering the customer who most values OBE Organic's whole product and then targeting the marketing approach to best explain how the product meets their needs.

"Although OBE Organic have primal cuts suitable for grilling and roasting in their range, the prime focus is marketing to customers who use the beef for hamburgers or wet cooking, where the unique grass-fed taste, leanness and organic status are the prime purchase drivers."

**David McKinna, Author**

2. Ability to identify, develop and leverage hard to replicate advantages in its whole product offering; recognising that rangeland grazing was by its nature organic and could command a premium.

"Our company was founded on century old traditions — raising cattle exactly the way nature intended. No chemicals, no pollutants, no hormones, nothing, except a whole-hearted commitment to letting the most enriching natural forces and environment produce the very best grass fed organic beef."

**OBE Organic website**

3. Desire to build strategic relationships where long term profitability is valued over short term transactional gains.
4. Understanding the importance of detailed research, planning and formal structure in forming a successful value chain partnership.
5. Ability for information to flow in both directions in the value chain, allowing producers to improve both their business and their product.

"We get a lot of information back from the company especially in relation to the performance of our cattle when they are processed through the abattoir. The feedback sheet provides timely, reliable and extensive information on carcass detail that we can track back to the performance of each farm."

**OBE Organic Producer**

6. Willingness to invest time and money in business development projects, leveraging external expertise such as that of industry bodies.

"OBE Organic takes advantage of the MLA co-marketing program which offers matched funding for eligible export marketing activities. This levy support enables the company to augment its marketing program and cover the wide range of countries and cultural disparity."

**David McKinna, Author**

## Why you should read the full case study

- Description of the elements of value that OBE Organic's whole product delivers to its customers
- In-depth discussion of the importance of partnership planning and structure and governance development for success

### OBE Organic full case study

➔ [agric.wa.gov.au/p4cv](http://agric.wa.gov.au/p4cv)

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