

# Revolutionizing the Veal Industry

Strauss Veal & Lamb is committed to being the leader in humane veal calf animal husbandry practices, while it focuses on becoming a diversified “one-stop shop” for customer product and service needs. *By Bryan Salvage*

**S**trauss Veal & Lamb International Inc., Franklin, Wis., has greatly evolved, grown, and diversified since its inception in 1937 when Milton Strauss and his brothers founded Strauss Brothers Packing south of Milwaukee. Today, behind the reins are Milton's two grandsons, Randy Strauss, co-president and CEO, and Tim Strauss, co-president, of what has since evolved into Strauss Veal & Lamb International Inc., the company is on target to hit between \$135 and \$140 million in sales in 2006—up from more than \$55 million only four years ago.

Strauss' meteoric growth in recent years is due to making key acquisitions, diversifying, and expanding its product line to include veal, domestic and imported lamb, as well as beef and venison imports; and creating more convenient, high-quality, further value-added products. Although maintaining family business traditions set forth by Randy and Tim's grandfather, Milton, and father, Richard Strauss (see side bar), is key to the company's continuing success, the Strauss brothers feel that breaking the industry tradition in the way veal calves are raised holds great potential for the future growth of their company and the American veal industry.

Strauss Veal & Lamb International Inc. is committed to raising veal calves in a more humane manner. The company's goal is to be 100-percent converted to raising calves by the European-style, group-raised method within the next two to three years. “Not only is this the right thing to do,” Randy Strauss tells *Meat Processing*, “but it could pave the way for increasing per capita con-

sumption of veal in the United States, which currently lingers at 0.6 pounds.”

“In Europe, the law (which goes into effect on Dec. 31, 2006) dictates companies have to stop raising veal calves in the traditional manner,” Randy continues. “They began a conversion process five to 10 years ago, leading to an increase of veal consumption.” As Randy further stated, “People can fully enjoy veal with the satisfaction of knowing that veal calves are raised in a humane manner. The traditional way of raising veal calves involves putting each calf in an individual stall. This practice is increasingly

being frowned upon by a growing number of customers and consumers alike throughout the world,” Strauss points out.

“We're focusing all of our energy and attention on exceeding the European group-raised standards of animal husbandry for our veal calves, which will involve having six, eight, or 10 calves per stall, allowing social interaction between calves, improved bedding, as well as several additional improvements that are still being tested, while constantly upgrading animal-handling practices in our plant,” he adds. “We're working with our grower network to convert their existing facilities and build new facilities, and we're getting behind this 100 percent. At this point in time, our number-one focus is to improve animal husbandry.”

Strauss Veal and Lamb has invested heavily in a research division to perfect animal husbandry practices, which includes free-raised production. This included the purchase of a farm in 2004 to experiment with better husbandry practices and to conduct its own animal



(From left to right) Randy Strauss, co-president and CEO; Joe Musillami, COO; and Tim Strauss, co-president, pause in front of their company's new, more sustainable, recyclable product boxes. Photo by Dowling Studios, Milwaukee, Wis.

husbandry testing.

"Animal rights are important," Randy Strauss says. "We want to be the company to revolutionize the veal industry. There are a growing number of people who, if they feel good about what they're eating, will eat veal. If we can capture that market, we're going to increase the 0.6-pound per capita consumption market resulting in a healthier veal industry."

Randy's wife, Diane, has taken an active role in the company's animal husbandry efforts. She has traveled the world on behalf of Strauss to work with several pioneers of organic veal farming in England. She has also collaborated with scientists as far away as Venice, Italy, researching various types of roughage and feed in order to raise a humane calf, while maintaining the same flavor profile of the meat produced by calves raised the traditional way.

"Strauss Veal already exceeds expectations for humane handling in its plant," Tim Strauss states. "The United States Department of Agriculture (USDA) is using our plant as a model on how to humanely handle calves. The methods used within our facility exceed USDA guidelines."

"We're now the largest veal company in the United States," Randy adds. "We're slaughtering and processing between 1,700 to 2,500 calves and breaking three to five loads of domestic lamb a week at our Franklin facility. We have two or three veal competitors who are close seconds, but we're processing between 18 to 25 percent of the veal calves in



## Evolution in the Making

During Milton Strauss' era, his generation sold carcasses and primal cuts. Today, Strauss Veal & Lamb International offers a wide range of products — including portion control and fully cooked products.

"My grandfather took the carcass and divided it into roughly four to six primals," says Randy Strauss, co-president and CEO. "Our dad (Richard Strauss) sold sub-primals, which is taking those primals and making them even smaller. Towards the end of our dad's career, we began doing portion-control products."

Randy and his brother, Tim Strauss, co-president, are now taking their expanding product line to the next level by offering veal and lamb home meal replacement kits.

"We found that people still enjoy cooking," Randy explains. "We have made cooking simple for them. Our Meatball Kits, for example, contain all of the needed ingredients, including a gourmet quality sauce we spent more than a year developing — it took more than 100 tastings and many different ingredients to develop our tomato basil sauce. We came up with a great-tasting blend of cheeses that work well with the veal, thus, putting together a kit that requires the consumer five minutes or less to prepare.

"Our grandfather, Milton, and our father, Richard, built this business," he adds. "Next year, 2007, will be Strauss Veal and Lamb's 70th year. Tim and I joined the business in 1987, and by 1989 dad had retired. But he trained and educated us our whole lives to run this business. We worked here during high school and during summers while in college."

"Our dad took the company to a national and international level," Tim Strauss adds. "We have learned a great deal from him about how valued all of our customers are as well as every single one of our employees, but most of all — we learned how to treat people. We feel extremely fortunate to be a part of our family's tradition." ◀



Randy Strauss (left, co-president and CEO), and his brother Tim, co-president, are the grandsons of Milton Strauss — the company's founder.

the country each week."

Unquestionably a veal powerhouse, its product offerings continue to diversify.

"We're about 65 percent veal at this point (in total product mix), which is amazing considering we weren't even in the lamb or imported beef and venison business four years ago," he adds.

### Fast-Track Growth

Company highlights of the past year include integrating Strauss Veal's recently acquired companies, realigning its corporate structure, placing a re-emphasis on further growing sales of its diversifying product mix, and adding more value to its growing line of products and services. The company now employs more than 200 people.

Strauss' string of recent business acquisitions is nothing short of spectacular. In November 2002, it bought Silverton Ridge Farms (formerly known as Chicago Lamb & Veal) from Superior Farms. Silverton's principal, Joe Musillami, is now Strauss' COO, and Greg Martin, formerly of Silverton, has been appointed senior vice president of sales and marketing and director of lamb operations.

"We weren't in the lamb business prior to this acquisition," Randy Strauss explains. "We have since grown in the domestic lamb category with the help of Joe and Greg. We moved the Silverton operations from Chicago to Franklin and discovered that our veal customers wanted lamb and their lamb customers wanted veal. They're two small categories that compliment each other. We saw an opportunity, and it was a perfect fit. We had no overlap of customers. It is a nice 'one-stop shop' for the customer to be able to buy their veal and lamb from one good supplier."

Two years later, Strauss was introduced to Dallas-based Foodtech, an \$8 million importer of New Zealand and Australian lamb and beef — and New Zealand Cervina venison. Foodtech was importing lamb for a mutual customer of Strauss', and Strauss was supplying them with domestic veal. "Our mutual customer was looking for an all-encompassing veal and lamb program, and he brought our companies together," Randy Strauss says. "It made sense for us to acquire Foodtech, which is managed by principal Steve Starnes. It has been a wonderful addition to our product line."

Then in November of 2005, the company acquired the assets of veal processor Swissland Packing. Swissland's processing operations have since moved from Ashkum, Ill., to Strauss' slaughter/processing facility in Franklin, Wis., and its sales office has relocated to Frankfort, Ill. — joining Strauss sales offices located in Philadelphia, Pa., and Dallas, Texas. A.J. Follenweider, former Swissland co-owner and president, is now president of the Swissland division, and his brother, David Follenweider, who was also co-owner, is now vice president.

Today, Strauss Veal's new and growing senior management team includes the Strauss brothers; Musillami and Martin; the Follenweiders; as well as John Vosburg, CFO; Jerry Kelly, senior vice president and director of veal; and John McGinn and Ray Krones, veal buyers.

The company's growing product portfolio includes a wide range of refrigerated, domestic veal cuts available boxed or case-ready; a full line of domestic, Australian, and New Zealand lamb in boxes and case-ready formats; Home Veal Kits (Veal Parmesan, Veal Marsala, Italian Veal Steaks, Italian Style Meatballs); Home Lamb Kits (Rosemary Red Wine Boneless

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Lamb Leg Roast and Boneless Lamb Leg Roast unseasoned); four-ounce packs of Strauss sauces in Marsala and Tomato Basil; the Gourmet Creations line of entrées; a full line of New Zealand Cervena venison; and beef tenderloins imported from Australia. Variety meats are also offered.

In addition, Strauss offers custom processing and produces a wide range of private-label veal and lamb products.

"We do a lot of private-label brands for many of the largest foodservice distributors in the country and world. We're also working with different co-packers who manufacture some of our further-processed products like our veal meatballs, veal patties, demi glace,

*glace de veau*, and our fully cooked line of items," Randy Strauss says.

"We're trying to compliment our product lines so our distributors can get all of their center-of-the-plate needs from us," Tim Strauss adds.

To keep up with its growing business, Strauss recently invested more than \$4 million in improvements and additions to its Franklin slaughter/processing plant, "creating a model of quality assurance and food safety," the Strauss brothers say. The facility features a new clean room for further fabricating and processing its case-ready products and new meal kits, a new facility-wide refrigeration system, a new lamb cooler, a new roof, a new computer system, and a new sales office, among other things.

The 65,000 square-foot unionized

slaughter/processing facility operates two shifts a day plus one clean-up shift five days a week. When necessary, the plant operates on week-ends. This facility has undergone at least eight additions/upgrades since it opened in 1971. "We finish one addition and then it seems like we move right on to the next one," Randy says with a grin. "Future expansion needs will likely require acquiring or building another production facility," he adds.

Becoming bigger is challenging, but it also offers advantages. "By being bigger, we have the ability to package our high-quality products with the best equipment available," Tim Strauss says. "We have some extremely expensive equipment that is usually only found in larger beef companies. We also have a completely dedicated quality control department, which many smaller veal packers can't afford."

"People visiting our plant have told



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us how rich in equipment we are. This includes our new grinding, slicing, tumbling, and packaging equipment, and more," Randy adds.

Strauss rarely refuses a customer request. "If a customer wants a certain type of grinding machine, for instance, we go out and acquire it for them," Tim says.

"We once had a customer who wanted a particular type of case-ready machine so we went out and bought it for them," Randy adds.

"We keep modifying and growing our case-ready department to stay ahead of our customers' needs."

Strauss Veal excels in food safety, the Strauss brothers point out. "We are very proud of our HACCP program and our food-safety department," Randy says. "We have multiple procedures in place that sanitize calf carcasses before they enter the processing coolers. . . we strive to exceed every USDA food-safety measure."

The company is also moving to use more sustainable, recyclable product boxes to help the environment.

### New Product Development

Every Monday, Strauss' senior management team conducts weekly business meetings where many new product ideas are born. "We develop new product concepts and ideas and cover those during our Wednesday sales conference calls," Randy Strauss says. "If an idea looks promising, we put together a sub-committee to further explore it. My wife, Diane, has also been very active in developing our packaging and

recipes. She worked with several of our co-packers to develop our sauce recipe and veal meatball recipe. She also works very closely with many renowned chefs."

Some customers, including chefs, senior executives, and purchasing people, visit Strauss' test kitchen in Franklin, Wis., to research or test new product ideas. "We have every possible ingredient ready for them to use," Tim Strauss says. "We have restaurant-quality equipment, allowing them to test and prepare products tailor-made for their exact needs."

Randy Strauss travels the world ex-

tensively uncovering new product opportunities. "I'll spend time in Europe searching for different recipes, different cooking methods, and different product ideas," he says. "I've also come across diverse ways to merchandise products. I've visited the biggest veal processors in Europe, as well as butcher shops, and restaurants where I talk with the chefs in great detail. I try to learn what the restaurateur wants in center-of-the-plate, or why there isn't veal or lamb on his menu. I'll ask 'Is it too expensive?' If so, we need to help them find a cut that fits their budget."

"Offering veal products helps customers to make more money. Veal meatloaf, for example, allows a restaurant to make a couple extra dollars for the product because it contains veal," Randy says. "It's healthier and it often becomes a trend. Put veal meatloaf with garlic mashed potatoes on the menu; the center-of-the-plate costs you under two dollars, and you're charging \$14 for a unique idea and a great return on investment."

In Europe, pink (or rose) veal is growing in popularity. "It's catching on because it's a little bit less milk fed. Unfortunately, it tastes a little closer to beef than veal, but it requires (less cost) to raise the animal," Randy says. "In this country, the consumer and chefs haven't embraced that flavor profile yet. But if they do, it will open up an entirely new market and opportunity for people to taste and enjoy a more humanely raised product—and Strauss will be right there with a pink veal product line to offer its customers."

Being able to offer domestic, Australian, and New Zealand lamb allows Strauss to offer different price points and products to fit any budget.

Strauss is also involved in exports. "Our hides are exported to countries including Japan and Italy," Randy Strauss says. "We export a variety of meat products, and we also do Halal for Middle Eastern customers. We were in Europe before the ban, and Denmark still takes some of our approved products. We also sell to Mexico and Canada, and we're



Value-added offerings play prominently in the company's product portfolio.

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working through the approval process to get back into Japan as Japan was a terrific market for us."

### Looking to the Future

At present, most Strauss veal products are 100-percent natural, but the company is looking forward to taking this line to the next level, organic. "Unfortunately the biggest problem at this time is the lack of organic bull calves and organic whey (feed) available," Randy Strauss points out. "Organic will likely only account for five to 10 percent of our business at some future point, but our ultimate goal is to have a line of high-quality organic veal."

Branding will remain a major effort for the company. "We've always believed strongly in product branding," Randy says. "We have always been proud of our name and have promoted it extensively. We provide point-of-purchase materials at the chain-store level, and are constantly working with restaurateurs to further develop our brands."

More national restaurant chains are putting the Strauss brand on their menus, Tim adds, and this is paying off. "One restaurant using our veal told us that after they added the Strauss brand name to their menu, they saw a sales increase of 40 percent. They were so delighted with the positive response that they were going to brand their lamb Strauss, as well."

Senior company executives are constantly discussing what new products would make sense to add to their existing lines to help make their customers' protein procurement easier. "We want to be a one-stop shop not just for lamb and veal but, to be known as the company that's taking care of its customer base in every way possible. We are extremely proud of the relationships we have built with all of our customers. Each and every one of them gets individualized attention and our commitment to do whatever is necessary to help build, grow, and maximize their lamb and veal programs," Randy says.

Strauss Veal & Lamb is also committed to continue exceeding the

expectations of its customer and consumers. "Many people have written to our web site (www.strauss-veal.com) to compliment and thank us for our veal meatballs, for example, which they have said are better than

those their mother or grandmothers made," Randy says. "That makes you feel good. It's exciting to offer new value-added products and for people to take the time to thank us for the products we offer." **MP**

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