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Sustainable Businesses and Marketing – a Report

Contents

COMPARISON OF ENTERPRISES.....	2
„LANDMETZGEREI KLEINHENZ“	2
„STEFFESHOF“	3
„PAX-BRÄU“	4
MARKETING	5
PRODUCT POLICY	5
PRICING POLICY	6
COMMUNICATION POLICY	7
DISTRIBUTION POLICY.....	8





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Comparison of enterprises

The participants of the Erasmus+-project visited different businesses that produce sustainably. In this report, the producers are presented in short. During our stay they summarized differences to conventional producers (including examples) and described negative aspects of conventional production. Because of the comparison the students also gained an insight into the advantages and disadvantages of the sustainable production of goods.

„Landmetzgerei Kleinhenz“

A good 20 years ago, master butcher Richard Kleinhenz took the step into self-employment with two employees. „Landmetzgerei Kleinhenz GmbH“ has now grown into a renowned company that is characterised by a love of detail and close ties to regional farmers and suppliers. This is how they obtain their meat from regional farmers. The trust in the farmers and the innovative cooperation with them are very important to them, especially with regard to the meat quality.

In September 2007, „Landmetzgerei Kleinhenz GmbH“ received EU approval as a cutting plant for pigs and cattle, as a production plant for meat products and for melting animal fats. In addition to homemade sausage products, their specialities include organic sausage products, allergen-free products, canned food and pre-cooked products.

In the beginning, the company started with conventional products, because otherwise it was not possible to grow and survive on the market. It was not worth switching to organic food at that time. The price pressure at that time was simply far too high. But over the years the company continued to develop until today. Today, the producer offers 80 percent organic products.

Researchers were unable to prove that organic foods, for example, have a higher vitamin content. Vegetable organic products only contain more phosphorus than conventional products. However, this is hardly clinically relevant. The differences are also minimal when it comes to exposure to pathogens. E. coli bacteria do not occur more frequently in either group. However, chicken or pork from organic farms are less contaminated with antibiotic-resistant germs. In addition, organic products contain fewer pesticides, even if they are not completely free of them. According to the analysis, conventional products are 30 percent more likely to be contaminated.

A big disadvantage of conventional products is that they contain additives, but the owner, Mr. Kleinhenz, wants to avoid them and uses only organic spices for the most part. But it is not always feasible because one must know where the food comes from. Nevertheless, he gets his animals from the farm itself or from the neighbouring farm to deliver – meaning the meat is regional. The producer has his regular customers and makes a living on the deliveries to them, because no large quantities are needed in the vicinity.

His opinion overall: He is very happy that so many of his products are from the region. He is also proud that with his products he has reached an 80 percent of organic production and does not have to draw on flavours or additives. It is important to him that the smell is taken along, which is usually



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omitted with conventional products. He said that conventional products are no longer the way they used to be and that he puts great value on avoiding them.

„Steffeshof“

The organic farm exists for 30 years. The owner of „Steffeshof“ is Ludwig Weber. He owns about 100 hectare of arable land and 13 hectares of forest. He has one permanent employee and four to five part-time workers. Except one woman, who only works there three days a week, Mr. Weber does all the farming himself.

You can do an apprenticeship at this farm. But the working hours are really exhausting. Employees have to start at 5 a.m. while the owner himself already starts at 2 a.m. Sometimes he even has to work through the night, because there is too much work and not enough people. It is hard work. Because of that he wishes for a young couple to take over his farm, when he no longer can work himself.

These days most of the people are skeptical so the farm at first couldn't start with just producing organically. As a result, they started with conventional products and when they were a little successful, they slowly switched to only producing organic products. The owner also doesn't want to be successful just to be better than others, his main reason is to be sustainable and help the environment.

On his farm he mostly grows corn like spelt, oat, wheat and rye. The corn is mostly sold and the small parts that are broken (mostly it is up to 5-10%) are fed to the animals. In addition to that he also grows clover which is only used for feeding the animals. The clover also influences the nitrogen content in the ground positively. Because of that symbiosis, he doesn't need to use the "Haber-Bosch" fertilizer method.

For him it's very important to use and support old seed varieties and sow high quality seeds. Mr. Weber likes to experiment with the old seeds because they often are more weather resistant. For example, they tend to have deeper roots which can reach the ground water. This helps them to survive a dry season. Furthermore, the corn is good for people suffering from an allergy. In comparison to conventional corn it is easier to digest for the body and there are less allergic reactions.

In the last two years it wasn't raining that much in Germany so there was nearly no water in the ground, which led to poor yields. According to Mr. Weber, it must rain a lot in the next winter so that he has a rich harvest.

He doesn't sell gluten free products, because it would be too much work to prepare them separately and not many people would benefit for him to do the extra work.

Oat is the only thing that he grows with the purpose to sell it to a large enterprise. This corporate group is nearby, that's why everything is still regional. In his own shop he sells most of his self-grown corn as a raw product or processed as flour. And he sells some of his products to an institution for handicapped people and to a hotel. Since 1995, they bake bread on every Friday and sell that, too.





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Depending on the orders from private customers, companies and spontaneous buyers, they calculate the amount of bread, that has to be baked. On an average day, they can bake up to 250kg of bread. The bread is divided in two wood ovens. The big oven has a diameter of 1.70m x 3m and the second and smaller one measures 1.70m x 0,90 m. Together they can bake an amount off 100kg at a time.

Mr. Weber owns different kinds of animals, which he also breeds by himself. Some of them are even threatened by extinction, which is why he tries to safe them by breeding.

Additionally, to that he slaughters his own lamb and deer. The lamb meat is mostly sold to companies while he sells the meat of his wild animals in his own shop. These include the "Rothöhenvieh" but he is not allowed to slaughter them by himself because of the law. That means that he brings his animals to the butcher and gets the meat afterwards to sell it. Because of its high quality, the meat is a little bit more expensive and many people are not willing to pay the price. The "Dorint Hotel" in the region is his best customer. The good thing is that they not only buy the good parts, instead they also buy, for example, meat that is not that popular and make something good out of it.

You can't buy meat anytime there are specific appointments on which he sells meat. He sells his beef two times a year and the lamb about one to two times a year. You can buy the meat of the wild animals from the beginning of autumn. Because of the rare chances of buying the meat many customers order the meat ahead of time and on the agreed day, they collect the product from the farm. Sometimes, because of long traveling ways, the customers can't make it. In that case the meat can be frozen and on the next available day you can collect it. According to the orders he can calculate how many animals he must kill and how much meat he needs. The amount can go up to nearly 500 – 600kg. When you slaughter animals you can't use just the meat that was ordered. So they sell the remaining pieces in their own shop for people that want to buy meat spontaneously.

He has no meat that he must throw away, because there are enough people that are interested in buying it and if there are no buyers in his shop. He sells the meat at a market in Hammelburg.

Mr. Weber strongly believes that people must change many things in order to save our planet. He thinks producers should only get subsidies if they produce organically and work in a sustainable way, so that more people try to help. He also thinks that we all should lower our meat consumption and that we should buy the meat from farmers that treat their animals appropriately so that they don't support the intensive livestock farming. But most importantly we all should make sure that we buy regional products and think more about the products we buy. We all should be aware of our responsibilities towards the world.

„Pax-Bräu“

In the beginning the founder of the brewery "Pax-Bräu" was simply interested in beer and had the idea of producing his own beer. He made many experiments with different ingredients until he was satisfied with the taste. After meeting the right taste, he shared it with his family and friends. They were very enthusiastic about the taste and shared it with friends. So he had increasingly more interest in his beer and he brewed in increasing quantities.



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When the beer was in high demand, he decided to start his own beer brewing business. He founded the company in 2007. In the beginning he ran his business alone but due to the increasing demand for his beer he had to expand his business and machinery and hire more staff.

It was important to him that his self-established business remained in good hands and he passed it on to his nephew, who was already interested in his uncle's work as a child.

The brewery pays attention to regional and organic products and traditional preparation. As the brewery does not use any chemical additives, the beer does not last as long as conventional beer. "Pax-Bräu" brews beer in a traditional way, mostly using regional raw materials. However, the owner does not fully comply with the German Purity Law.

Because of the short transport routes and organic cultivation, there is little air and groundwater pollution. They use renewable energy to further protect the environment. Due to the natural products the beer has a better and more intense taste.

One disadvantage is that regional products are more expensive and therefore also the beer costs more.

Marketing

We also compared the visited businesses "Landmetzgerei Kleinhenz", "Steffeshof", and "Pax-Bräu" regarding their marketing measures. We found both similarities and differences.

Product Policy

First, we visited the "Landmetzgerei Kleinhenz", which is a butchery in Oberelsbach. For over thirty years, they produce now sausages and meat in biological quality. Tradition is very important for them, but also innovation.

80% of their complete sortiment they produce is organic quality, beef products are all organic. The butchery has separate rooms for organic and conventional produce, so that there can't be any confusion. The packaging is not all in natural products, the sausages are often packed in plastic, because it's more hygienic.

They receive their meat in halves or quarters, from local farmers around maximum 100km away from the place. One problem is, that more and more little farmers give up their companies, because it is so expensive to produce. So it gets difficult to find local organic farmers as a supplier.

Another big problem for them is also to find new trainees, because in this job the payment is not very good. One reason is that the people don't want to spend a lot of money for their meat, or their food in general. Organic quality is better than producing conventionally, because the taste of the products is much better, intense and stronger. It is also easier to process.

The sausages are sold only in pieces, because the aroma is much better and it easier to keep fresh, the taste will be unchanged when the customers cut it at home, short before eating. Products of lower quality often are improved with salt and spices. Organic food has a good taste itself.





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We also visited a farm. Mr. Weber, the owner of the “Steffeshof”, is growing many kinds of cereals there, for example wheat. The very special fact is, that he’s using very old sorts. Because of that he prevents the extinction of those. He also looks after his own seed so he can farm without using industrial one. The same with his meat production like beef or venison.

Because this kind of meat is very rare, he sells it nearly just to upper-class restaurants and to his butcher. The rest is sold in his little market. Some people reserve his meat, because of its good quality. And if this was not so, the higher restaurant wouldn’t take it, too. He produces his meat two times a year. So it’s really very special. The reason is that this is the only lasting way for his business. Mr. Weber told us that the people in the west world eat too much meat, because the planet health is worsening. The meat production costs a lot of resources for the world. Therefore forest is going to be burnt to grow cheap animal feed. And this is only one example.

“Pax-Bräu”, the third company, was founded in 2007 as a one-man business. Pax sees itself increasingly dominated by large corporations with their standard beer, unchangeable taste and without individual accents.

“Pax-Bräu” uses a traditional production process, organically grown raw materials from the region as well as renewable energies. The whole assortment is organic. To achieve a certain quality, they use only the best ingredients from the region, such as brewing malt and honey. As far as available, all ingredients come from certified organic farming.

Water from the “Rhön” is ideal for the production of their beer. “Pax-Bräu” beers are in no way stabilized, neither filtered nor heated. This leads to a shortened durability, depending on the storage conditions. However, that’s what makes the special taste of the beer. Due to the non-automated production and the loving handwork, they are always close to the product and try to give each of our beers an individual and special touch.

Of course, they feel obliged as a young company in the middle of the biosphere reserve of UNESCO to deal with the resources given to them. A considerable part of the energy used for the brewery is therefore generated by photovoltaic and solar thermal energy.

Organic products are more expensive than conventional ones. And they have not always good acceptance in general by people, because they do not believe in organic products or they won’t renounce the possibility of choosing what they want. And the farmers or producers often have many restrictions from the EU or the state. (like the German Purity Law or bureaucracy). “Pax-Bräu” currently offers 10 different beers depending on the season. Tradition is very important for them.

Pricing Policy

By visiting the companies, we found out that the prices of sustainable and conventional products are different. Sustainable products are 25-30% more expensive than conventional products. The higher price is caused by the production of organic food and the treatment of the animals. Because in a sustainable farm e.g. there are not so many animals and they have a lot of space to live in.



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The higher price for organic food is also caused by the time you need to care for the animals. There are not thousands of pigs, sheep or chicken in a barn with no place. For example, the farmer has to lead the animals to the field and has to take care of every single one.

The price of the organic meat depends on the harvest of the grain, which is the food for the animals. If the harvest was bad, the price of the meat is higher than usually, because the farmer has to pay for grain from other farmers and this is more expensive than his own grain.

Another reason for the difference between the prices is the demand of the customers. If there are a lot of customers, the farmer can take a higher price than otherwise.

The farmers of organic food often take the prices they want. If the customers want to buy good products, they have to pay the higher price. But if the price is too expensive, the farmer has no customers. But the price for good quality is higher than the price of conventional food. The production of the organic food tends to be more expensive because they require more work per unit. The organic food must be separated to avoid contamination because of the quality of the organic products.

The people who work for a business which produces organic products will be paid better, because the manufacturing of the conventional products is often done people who earn a low wage. Many conventional products come from other continents and the people who work there only get a low wage.

Communication Policy

“Landmetzgerei Kleinhenz” doesn’t really advertise. They only go to fairs, where they present their product to the visitors and there they can buy their products. Their target group are big kitchens like cafeterias, restaurants, schools and kindergartens. And, of course, people who like to eat healthy, sustainably, and who support the idea of sustainable nutrition. Today more people are willing to pay for the good quality of this meat. With the time the demand got stronger, but at the moment mainly in urban areas. New customers often take notice by word of mouth, for example suppliers and regular customers. The customer satisfaction was really good so far.

The “Steffeshof” also makes marketing by word of mouth, but also on the internet. You can find him there, too. He has an internet site where you can look where his organic farm is and what products he sells. The target groups are small businesses, but also hotels, bakers, and sometimes private customers. The demand for his sustainable products is high, because people like the high quality of the flour, bread, meat and eggs.

Some People who are allergic to normal spelt bread buy it because they tolerate it more than conventional bread from normal supermarkets or bakeries. The people who want to buy the products come to the farm and buy them there.

The marketing concept of “Pax-Bräu” includes a Facebook-page and an online shop where they present their beer. Some shops in Würzburg sell the beer (special shops). Many customers present



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the products to friends and so the popularity is rising. The most customers are male and between 16 and 99 years old. The products are up to 95 % organic and use ingredients from the region.

Distribution Policy

The distribution policy has two main areas of responsibility. On the one hand, it is decisive for determining the distribution channels. This concerns the transport routes of the individual products from the supplier to the customer or consumer. On the other hand, the responsible management is responsible for determining the physical distribution. This concerns the design of the delivery service, the warehousing as well as the transport.

“Landmetzgerei Kleinhenz” also supplies its products to large kitchens such as our school cafeteria. They sell their products not only to commercial kitchens but also in their shop. The commercial kitchens can buy the products from the butchery Kleinhenz where they can be ordered, but they deliver their products only within a certain radius. They do not want to have too long delivery routes, so as not to burden the environment and to be regional. “Landmetzgerei Kleinhenz” not only produces and sells convenience food products but also organic products in commercial kitchens and in their shop.

The “Steffeshof” exclusively grows organic cereals and also breeds endangered wild animals such as the Red Alpine Cattle. He slaughters these in certain periods and sells them in his own farm shop. Customers order the pieces of meat they would like to order and then pick them up. The farm has opened Friday and offers their goods. The farm also has its own bakery where they bake the bread for the farm shop. The flour for the bread was ground from the original grain cultivated by the Mr. Weber himself. He does not supply commercial kitchens because the yard can't achieve the quantities for the commercial kitchens. The price of the meat is 20% above the price of normal organic meat. Nevertheless, he supplies a hotel, the “Dorint Hotel”, which does not need large-scale kitchens and uses modest cuts of meat to prepare high-quality food. He sells the best pieces of meat to his family and farm shop customers.