



June 2000 Update

Direct/Local Meat Enterprise

Next Events: Project Workshop, June 6, evening in Lexington
Ribbon Cutting for Mobile Processing Unit, June 6, Frankfort

This newsletter is mailed to anyone who is interested in learning about and helping with direct and local meat marketing opportunities.

This Project is a joint effort of several groups, farmers, UK, KY Dept of Ag, KY State U., Partners for Family Farms and others.

It is supported by UK, the Ky Dept of



Ag and the USDA.

More info?

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Selling on the Rail

There are many small retailers around the state who are not USDA inspected but have a retail meat business. These meat markets buy carcasses on the rail and cut them up in house. Potential exists for producers to sell animals to these retailers on the rail and avoid paying full processing fees.

Under this scenario, the producer would have to find a way to have animals killed and skinned under USDA inspection. The carcass would then need to be transported to the retailer.

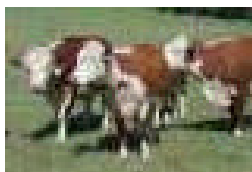
To price carcasses under this system, begin with a target live price including all variable and fixed costs, as well as an acceptable return to management. Add killing, skinning, and shipping costs, and divide by the expected carcass yield (usually 60-62% of the live wt. for beef cattle). This pricing method should serve as a useful guide when selling carcasses by the pound. To obtain specific killing and skinning charges, contact inspected processors in your area.

Moving Towards Selling in Quantity

According to the USDA Economic Research Service, the average US consumer eats over 68 pounds of beef each year. This is the equivalent of 156 pounds of live beef. Under this analysis, the average family of four will consume the equivalent of a side of beef annually.

The average retail price of choice beef nationwide is around \$2.95 per pound. If we could sell our beef at this price, we would receive over \$1500 for a 1200 lb steer.

If we want to sell beef direct to consumers, we have two choices. We can sell individual cuts out of our freezers, or we can sell sides and quarters. If we want to sell in volume, we have to be able to educate our customers on what they are actually getting for their money. Be prepared to work through the proceeding scenario with new customers.



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Lamb Potential

Lamb is often overlooked when livestock is discussed in Kentucky. However, lamb producers have had success in their direct marketing ventures. The average lamb will yield roughly 40 to 50 pounds of saleable meat, which is much more manageable for a modern family than a side of beef. Secondly, quality lamb is much more difficult for the typical consumer to locate in restaurants or retail outlets. In addition to the freezer market, lamb producers have the possibility of selling direct to restaurants and retailers. Many restaurants have indicated that they are unable to purchase lamb through conventional means. Lamb sold to restaurants must be sold under USDA inspection and the producer should be prepared to produce high quality meat year-round.

Processing Process

Those of you who are interested in using the meat lab to have animals processed should contact us well in advance. Contact Kenny Burdine at 257-7257 or by e-mail at kymeat@ca.uky.edu.

We usually need well over a month's notice so begin planning now.

When you call, you will be told the next open date for slaughter. Animals should be delivered the afternoon prior to the slaughter date. When you bring the animals you will be told approximately when you can pick the meat up. Shortly after pickup, you will be contacted by Kenny to discuss production costs, marketing, and profitability.

Animals slaughtered in the meat lab must be sold beforehand. If you need help with marketing feel free to contact us.

June 6th Workshop

There will be a workshop at the University of Kentucky on Tuesday, June 6th. The workshop will start at 6:00 pm in the ES Goodbarn.

We will be serving supper, so we ask that you RSVP by calling or e-mailing. However, if you are unable to RSVP we would still like for you to come.

The workshop should be very informative. We plan to cover finishing, economics, processing, merchandising, and where to from here. It should also provide an excellent opportunity for project participants to give us some feedback on the progress of the project.

C & W Grand Opening

The grand re-opening of C & W Meat Packers was held on Wednesday, May 10th. The Cynthiana meat packer was upgraded from custom exempt to federally inspected with the help of a value added grant. The facility will now be available for use by farmers who want to direct market their meat.

Mobile Processing Facility

The Mobile Processing Facility will soon be operational. It will be available for the processing of fish and poultry products. The ribbon cutting ceremony will be held at 10:00 am on June the 6th in front of the state capital. Everyone is welcome to come and see the unit.

Customer Surveys

Continue to send us names and addresses of those who are currently purchasing meat directly from you. We need to collect as much data as possible about this market in order to truly understand how to service it. We will collect and summarize data for each producer with all names excluded, and we will provide a complete summary and analysis of all respondents at the conclusion of the project. To participate, call or e-mail Kenny Burdine:

phone: 859/257-7257

email: kymeat@ca.uky.edu

**For Change of Address
Return Address Label**

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