March 2000 Update

Direct/Local Meat Enterprise

Next Events: Project Workshop, June 6, evening in Lexington

Off and Running!

The direct and local meat marketing project is in full swing. To date we have received almost thirty applications from producers who are interested in selling their livestock directly to its end user. We have slaughtered hogs, cattle and sheep.

Labeling & Regulations

According to Tess Caudill of the KY Dept of Ag., it appears that most participants will fall under the small business exemption, which will eliminate the need for much of the labeling that large businesses are facing. However, it was clear that we should check with someone in government before making claims about our product. Some claims such as “chemical free” are not allowed, terms like “lean” have strict definitions, and some other terms have not yet been defined. Any claim that is made will need to be verifiable.

Learning Together

A direct and local meat marketing workshop was held at the University of Kentucky on January 26th. Over forty people attended the meeting; representatives were present from Emmett’s Restaurant and several processors in the area. A detailed summary of the workshop is included with this newsletter.

What do Your Customers Think

The most important aspects of marketing are learning what your buyer wants and delivering that product. We don’t have that information now, but need it to be successful.

We’ve drafted a buyer survey and we want to get it completed by everyone who buys meat directly from a farmer. If you will send us your customers’ names, we’ll send them the survey. You get the results for your customers’, we get a pool of results to share with everyone. There will be absolute confidentiality. No one will learn what your customers say except you. And, all names will be kept confidential.

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Feedback & Ideas?

Tell us what you want in this newsletter. Do you need technical info? Comments from farmers or buyers?

Call, write or e-mail (see contact info in the left column)

Where’s the Beef?

The project saw its first beef on February 16th; three steers were slaughtered for a Jessamine Co. producer. The three steers averaged 1141 pounds, two made Choice grade and one Select, they dressed 60%. All three were sold as sides of beef to local families, priced on a live weight basis at $.72 per pound. We are currently working on pricing beef by the individual cut.

More info?

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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.

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\textbf{Survey - Continued}

Please complete the enclosed card, put it in an envelope and mail it to us. (Contact info is on the front of the newsletter.)

\textbf{Pork Finds a Home}

In January, eight hogs from a Washington Co. producer started the processing part of the Project. These pigs were processed at UK and most of the pork was purchased by a Lexington restaurant. The average net return was $100, after $50 per hd. was deducted for processing. (Part of that $50 was covered by the Project.)

In February eight hogs were brought in from Cynthiana to be slaughtered and processed. These hogs averaged 193 pounds carcass weight and were sold to either Emmett’s Restaurant or Dudley’s Restaurant. Some of the hams, boston butts, picnics, and bellies were sold at normal wholesale prices, which are substantially lower. The breakdown of the carcass by cut and value is shown in the table below.

On average, these hogs returned roughly $105 per head. However, one carcass earned a net of $137. The lesson is that there is significant potential in this market, but the high value market is small and will take a lot of effort to service.

\begin{table}[h!]
\centering
\begin{tabular}{|l|c|c|c|c|}
\hline
\textbf{Cuts Sold} & \% of carc. & \textbf{Pounds} & \textbf{Price} & \textbf{Value} \\
\hline
Spare Ribs & 4.74\% & 9.1 & $1.50 & $13.71 \\
\hline
Pork Tenderloin & 1.11\% & 2.1 & $3.50 & $7.49 \\
\hline
Hams & 22.80\% & 44.0 & $0.80 & $35.20 \\
\hline
Boneless Butts & 7.06\% & 13.6 & $1.35 & $18.40 \\
\hline
Boneless Loin & 9.25\% & 17.9 & $2.25 & $40.19 \\
\hline
Picnic & 9.84\% & 19.0 & $0.65 & $12.35 \\
\hline
Feet & 3.33\% & 6.4 & $0.25 & $1.61 \\
\hline
Bones & 3.18\% & 6.1 & $0.25 & $1.54 \\
\hline
Bellies & 6.22\% & 12.0 & $0.90 & $10.80 \\
\hline
Trim & 5.70\% & 11.0 & 1.25 & $13.75 \\
\hline
\hline
TOTAL & & & & $155.03 \\
\hline
Processing cost & & & & $50.00 \\
\hline
Net Returns: & & & & $105.03 \\
\hline
\end{tabular}
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