Direct/Local Meat Enterprise

Next Events: Project Workshop, June 6, evening in Lexington
Grand re-opening of C & W Meat Packers, May 10th, Cynthiana

Labeling

Many of you have shown interest in making claims about your meat that would help differentiate it from others. If you wish to make production related claims such as “natural”, you must first contact the labeling and review branch of the USDA to make an Animal Production Claim. You will then have to submit a sample label, a label application, and an Operational Protocol describing how the product is produced. Those of you who wish to use the term “lean” or make nutrient claims must have the claim verified by a testing lab at your expense. General information, contacts, and applications are available through the Food Safety Inspection Service at www.fsis.usda.gov or by calling Mike Donovan at (202) 205-0623.

Pork Update

Eight more hogs were slaughtered at UK on March 24th. The eight averaged 234 lbs. live and dressed 73%. A fine dining restaurant in the area purchased one whole hog while the remaining loins, tenderloins, boston butts, and ribs were purchased by another. The whole hog was priced at $.90 per pound hanging weight while the individual cuts were priced according to current distributor prices. The hams of the remaining seven hogs were sold to an individual at $.80 per lb.

The return per head was $108 excluding picnics, belly, and trim from seven of the hogs. All remaining cuts will be made into sausage. Value added products such as sausage and bacon provide another option for pork producers who want to profitably merchandise their meat.

Beef Update

Two steers were processed on April 5th for a Franklin County farm. The two averaged 860 lbs. and both dressed 62%. All cuts were individually vacuum packaged into serving size packages. The meat was frozen and will be sold as freezer beef.

The value of all cuts will easily exceed $1000 per head at premium prices. This beef is marketed as healthy and lean, which increases its value to certain market segments. Health conscience consumers provide an excellent niche marketing opportunity.
**Customer Surveys**

Those of you who are currently selling meat directly to consumers can be a great asset to us as we try to learn more about consumer preferences. We need to survey your customers in order to get some honest feedback on direct meat marketing.

In the March newsletter, you received a form that was designed for you to mail back to us with names and addresses on it. If you need another form please let us know. You can also e-mail your names to kymeat@ca.uky.edu. It would be beneficial to contact your customers beforehand, letting them know they will be receiving something from the University.

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**Project Website**

More information on the direct and local meat marketing project can be found at our new website. We have posted budgets, decision aids, newsletters, links, and contacts. You can access the web site at: [http://www.uky.edu/Ag/KyMeat/](http://www.uky.edu/Ag/KyMeat/). We are open to ideas and suggestions, so let us know what you would like to see on the webpage.

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**Pricing as a Marketing Strategy**

Many direct marketers feel that they should be able to deliver product to consumers for less than they can purchase it for in the grocery store. Due to wide margins that retailers capture, this is often possible. However, pricing can be a huge tool in increasing profitability. Direct marketers are more likely to underprice than overprice. If we price our products too cheap, we will lose valuable margin. Eventually, we may be moving more product for less profit. Know exactly what price you need to receive beforehand, and then look for customers who are comfortable with that price. All consumers become loyal to certain products and purchase them regularly. As direct marketers, we should be striving to achieve a level of customer loyalty that allows us to price profitably. Sometimes it is easier to sell 6 sides at a $100/hd profit than to sell 12 sides at a $50/hd profit.

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**Meat Fact and Quiz**

A 1200 lb steer yields about 744 pounds hanging weight. How many pounds will be in the form of ground beef? (Everyone who answers correctly will get a free copy of this newsletter!)

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**June 6th Workshop**

There will be a workshop here at UK’s ES Goodbarn on June 6th for anyone interested in direct and local meat marketing. The workshop will start at 6:00 pm and should end around 9:00, supper will be provided. RSVP is appreciated, however, everyone is welcome regardless.