Direct/Local Meat Enterprise

Next Events: Southern Beef Day, October 6th, in Somerset

Liability of Direct Marketing

As direct marketers, we seek to gain additional income by performing services that would otherwise be performed by another entity. In doing this, we often absorb the risks that would be absorbed by that entity. Planning for risk management becomes a crucial element of enterprise planning when direct marketing.

There are many ways to deal with risk management. The simplest way is to be very certain that any product you sell is as you intended. I would encourage anyone who sells directly to adopt a policy that they will sell nothing that they would not be comfortable consuming themselves.

Secondly, education becomes very important. Many problems associated with meat are actually caused in preparation. Be prepared to discuss preparation with customers. This will benefit you for liability purposes, but you could also instruct customers on ways to use cuts that they would not ordinarily purchase.

Lastly, consider some type of liability insurance if you are directing selling in any volume. Do not assume that your farm insurance will cover all activities that occur on your farm. Check with an insurance agent to make certain that your endeavors are covered.

In many cases you may benefit by purchasing additional insurance. The North American Farm Direct Marketing Association also provides liability insurance for producers who are involved in direct marketing. If you are interested in learning more about this coverage, visit their website at www.nafdma.com. From this site you can obtain general and contact information.

Beef Update

During the week of August 21st, two beeves were processed in the meat lab. The two were from different producers. The first producer had been having trouble selling lower end roasts, but had developed a very good ground beef market. When processing their steer, all steaks were removed, but only the very best roasts. The chuck and round were boned out and put into hamburger. The beef was labeled and packaged by the individual cut and will be retailed by the producer.

This producer has been working to develop a branded beef market. They are able to receive premium prices for their meat by promoting it as being healthy and natural.

Although the additional boning made processing more expensive, the producers will still net $1.00 per live pound after normal processing charges.
The second steer was also sold as freezer beef, but it was sold by the half. The sides were priced at $1.75 per pound. After normal processing charges, the return to this producer will be $.90 per pound.

Mobile Freezer Units

Currently, there are two mobile freezer units available for producers who need a safe and legal way to haul meat. Each unit consists of a pull behind trailer, a generator, and two freezers. One of these units is being housed at Berea College, while it is still unclear where the other will be housed. If you need to use one of these freezer units, simply call Sue Weant at 255-3056. She will assist you in locating one.

Remember that there are numerous producers who will be using these units so you must plan ahead. The cost for using a unit is $10 per day, and it should be cleaned before it is returned. Although logistics may limit long term practicality, this will provide an excellent and inexpensive way for many of you to explore new markets.

Meat Price Report (per cwt.)

<table>
<thead>
<tr>
<th>Beef</th>
<th>Current</th>
<th>Yr. Ago</th>
<th>Pork</th>
<th>Current</th>
<th>Yr. Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slght. Steer</td>
<td>$66</td>
<td>$65</td>
<td>Slght. Hog</td>
<td>$43</td>
<td>$40</td>
</tr>
<tr>
<td>Whsl. Carcass</td>
<td>$113</td>
<td>$115</td>
<td>Whsl. Carcass</td>
<td>$64</td>
<td>$62</td>
</tr>
<tr>
<td>Whsl. Ground 90%</td>
<td>$105</td>
<td>$101</td>
<td>Whsl. Ham</td>
<td>$57</td>
<td>$56</td>
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<tr>
<td>Whsl. Chuck</td>
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<td>$79</td>
<td>Whsl. Loin</td>
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<td>$79</td>
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<tr>
<td>Avg. Retail</td>
<td>$280</td>
<td>$270</td>
<td>Avg. Retail</td>
<td>$262</td>
<td>$251</td>
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