Profitable Meat Marketing
Part II

Matt LeRoux
Cornell Cooperative Extension
Matt LeRoux

- Marketing Specialist at CCE-Tompkins County.
- Master’s in Ag/Food Marketing.
- Worked for 5 years for the New England Livestock Alliance & Heritage Breeds Conservancy.
- Started 2 brands of Natural & Grass-fed beef.
- Certified Ultrasound Technician
To increase the Freezer Trade.

Fill Your Freezer: How to Buy Local Meat

Cornell Meat Price & Yield Calculator
Farmer Pricing Tool

MEATSUITETM
Directory of farms selling in bulk.

THE MEAT LOCKER
Consumer storage for bulk purchases.

FINGER LAKES MEAT PROJECT

Profitable Meat Marketing
Producer Education
Average Freezer Trade prices on MeatSuite.com:

- Beef: $4.10 HCW (104 farms)(1/4)
- Pork: $3.89 HCW (70)(1/2)
- Chicken: $4.13/lb. (51)(whole)
- Lamb: $7.64 HCW (34)(whole)

*Prices include processing. Updated Dec. ‘17
A selection of Farmers’ Market Beef Prices:

<table>
<thead>
<tr>
<th>Cut Name</th>
<th>Farmers’ Market Avg.</th>
<th>Wegmans (FYFGA*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Beef</td>
<td>$5.79 (n=6)</td>
<td>$5.99*</td>
</tr>
<tr>
<td>Strip Steak</td>
<td>$13.43 (n=7)</td>
<td>$19.19*</td>
</tr>
<tr>
<td>Eye Round Roast</td>
<td>$7.25 (n=3)</td>
<td>$3.69</td>
</tr>
<tr>
<td>Sirloin Steak</td>
<td>$10.21 (n=7)</td>
<td>$14.99*</td>
</tr>
<tr>
<td>Short Ribs</td>
<td>$5.05 (n=5)</td>
<td>$7.29</td>
</tr>
<tr>
<td>Chuck Roast</td>
<td>$6.75 (n=5)</td>
<td>$11.49*</td>
</tr>
</tbody>
</table>
Profitable Meat Marketing

What are the farm’s financial goals?

<table>
<thead>
<tr>
<th>Per Year</th>
<th>Per Species</th>
<th>Per Head</th>
</tr>
</thead>
</table>

How much do we wish to make in Gross Sales?

How many head do we need to market to reach that?

How much do we expect to retain as Profit?

Now we can create sales projections and write specific objectives!
Profitable Meat Marketing

Channels for Meat Sales

By the carcass
Commodity
Small/regional brand
Co-op brand
Retail stores
Restaurants
Freezer trade
Institutions

By the cut
Farmers’ Markets
Farm Store (own)
Meat CSA
Retail stores
Restaurants
Institutions
Each Channel has different costs.

Each cut comes in a proportion.

Each cut has a level of demand.

Therefore, we need pricing for each channel.
In fact, why expect a different level of profit in each channel?
Cornell Meat Price & Yield Calculator

- **Cost of Production**: $1,000
- **Processing Cost**: $638
- ** Desired Profit/head**: $300
- **Marketing Labor Cost**: $960

**Total Gross Sales**:
- **Farmers Market (by the cut)**: $2,898
- **Restaurant (by the cut)**: $2,418
- **Freezer trade (quarters)**: $2,178
Using the Price Calculator

1. Identify income & profit goals
2. Understand production costs.
3. Develop a price that works for each channel.
Cornell Meat Price & Yield Calculator

Base Price & Premiums

Production

Breeding Herd Sells Feeder To Feeding & Finishing Sells Finished Animal To Marketing & Sales

Adding Costs & Increasing Risk

Marketing & Sales

Pays Processor
• What is my cost of production?
• How much profit would I like my PRODUCTION business to make on 1 head?
• How much profit would I like on 1 head?
• How much time will I invest in selling?

<table>
<thead>
<tr>
<th>Channel</th>
<th>Estimated labor/head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers’ Market</td>
<td>40</td>
</tr>
<tr>
<td>Restaurants</td>
<td>20</td>
</tr>
<tr>
<td>Freezer Trade</td>
<td>10</td>
</tr>
<tr>
<td>Commodity/Small Brand</td>
<td>1-3</td>
</tr>
</tbody>
</table>
Go to Calculator

http://calculator.meatsuite.com/
What’s the point?

• To ensure a profit.
• To test & adjust current market channels.
• To account for labor & costs.
• To manage inventory of cuts.
• To evaluate and price for new opportunity.
• To aid wholesale buyers.
• To develop channel-specific pricing that works!
Summary

- COP: $1300
- Prod. Profit: $100
- Transport: $70
- Kill, C&W: $599
- Mrkt. Labor: $600
- Mrkt. Profit: $500
- SUM: $3169
What’s the point?

<table>
<thead>
<tr>
<th></th>
<th>WTD AVG Cuts Price</th>
<th>Extended (x 389.5 lbs.)</th>
<th>Difference from goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original</td>
<td>$6.75</td>
<td>$2,630</td>
<td>- $538</td>
</tr>
<tr>
<td>AVG Calc. User (n=22)</td>
<td>$7.37</td>
<td>$2,871</td>
<td>- $298</td>
</tr>
<tr>
<td>Revised</td>
<td>$8.16</td>
<td>$3,177</td>
<td>+ $7.25</td>
</tr>
</tbody>
</table>
### User Stats

#### Freezer Trade

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Revised</th>
<th>% Increase</th>
<th># Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$2.89</td>
<td>$3.67</td>
<td>27%</td>
<td>37</td>
</tr>
<tr>
<td>Pork</td>
<td>$3.25</td>
<td>$4.49</td>
<td>38%</td>
<td>13</td>
</tr>
<tr>
<td>Lamb</td>
<td>$3.95</td>
<td>$7.53</td>
<td>90%</td>
<td>15</td>
</tr>
</tbody>
</table>

*Prices include processing.*

#### Farmers Markets

<table>
<thead>
<tr>
<th></th>
<th>WTD AVG Cuts $/lb.</th>
<th>Original</th>
<th>Revised</th>
<th>% Increase</th>
<th># Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$7.37</td>
<td>$7.43</td>
<td>4.8%</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Pork</td>
<td>$7.97</td>
<td>$8.31</td>
<td>4.3%</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Lamb</td>
<td>$10.69</td>
<td>$10.77</td>
<td>0.7%</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
So, what does it mean if you develop pricing but determine that your customers in that channel “would never pay those prices?”
Prepare in advance.
Set aside the time.
Estimate COP.
Decide Production Profit/head.
Estimate Marketing Time.

1 head data (or AVG).
Weigh all cuts.
Processing invoice.
Trucking time & $.
Current channel prices.
Why go freezer trade?

- Premium pricing (above market).
- Whole carcass demand.
- USDA-inspection not necessary.
- Efficient marketing (low labor).
- Affordable for consumers.
- Less need for year round supply.
- No inventory mgmt., reduces risk & labor
# Profitable Meat Marketing

## Gross sales/hour marketing labor

<table>
<thead>
<tr>
<th></th>
<th>Total Gross Sales</th>
<th>Marketing Hours</th>
<th>Gross Sales/hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers Market</td>
<td>$3,236</td>
<td>36</td>
<td>$90</td>
</tr>
<tr>
<td>Freezer Trade</td>
<td>$2,665</td>
<td>8-12</td>
<td>$333-$222</td>
</tr>
</tbody>
</table>
Welcome to Meat Suite!
Meat Suite is a website designed to help you find locally produced, high quality meats in bulk. No matter your buying preference the Meat Suite aims to help you find your farmer!

Find a Farm within 25 miles of your zip or address that sells anything

Why?
When you buy in bulk from local farmers you:
✔️ Get great quality meats at affordable prices
✔️ Support local farms and butchers
✔️ Know where your food comes from
✔️ Strengthen your local & regional economy

Add your farm
Own a farm that sells meat in bulk?
Add it to Meat Suite!

Learn More
Have questions? Read our Learn More page or email us at contact@meatsuite.com.

Sign up
Meat Suite

Farms

Showing 38 Search Results

Barrows Farm
- 1279 Caldwell Hill Rd., Little
- Grass Fed (No grain)  Pasture Raised  Heritage Breed
- Rotationally grazed 120-acre farm that raises poultry, pork, veal, and beef. We do not feed grain to any of the cattle, instead focusing on high-quality pastures, winter stockpiled grasses and hay. View...

Bedient Farms
- 750 West Swamp Road, Middlesex
- Pasture Raised
- Pasture-based beef operation, raising shorthorn-cross cow-calves and finishing all our beef for direct sale to the consumer. We are not grass-fed only because we supplement some corn silage in the winter...

CBLM Farms
- 1980 riff Road, Corning
- Pasture Raised
- Happy Black Angus steers and heifers frolic in ample pasture all year in a rotation grazing system that allows for these few lucky cattle to eat the most natural way possible. View...
Resources
Cornell Smart Marketing Series
https://dyson.cornell.edu/outreach/smart-marketing-newsletter.html
Profitable Meat Marketing

CONTACT INFORMATION

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