

- DECEMBER 11, 2018 -

Direct Marketing Meat: The Logistics of Processing



- PRESENTED BY -

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Niche Meat Processor
Assistance Network

- HOSTED BY -

FACT

Food Animal Concerns Trust

Introductions



Food Animal Concerns Trust (FACT) is a national nonprofit organization that advocates for the safe and humane production of meat, milk, and eggs.



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Humane Farming Program Director

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Website: foodanimalconcernstrust.org/farmer

FACT's services for livestock and poultry farmers include:

- **Fund-a-Farmer Grants**
- **Conference scholarships**
- **Free webinars**
- **Humane Farming Mentorship Program**

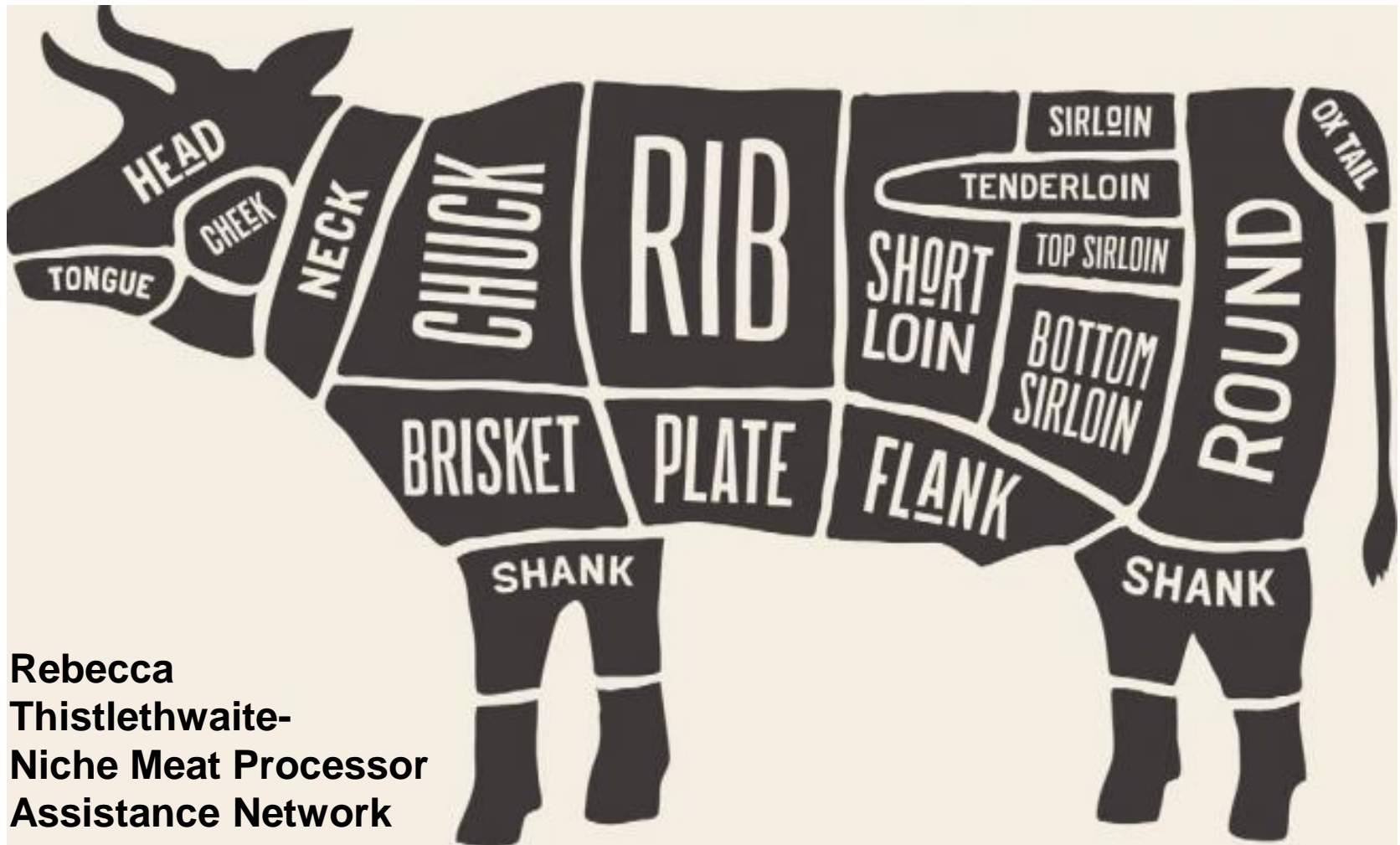
Our Presenter



Rebecca Thistlethwaite

Niche Meat Processor Assistance Network

Direct Marketing Meat: Logistics of Processing



Rebecca
Thistlethwaite-
Niche Meat Processor
Assistance Network

Topics Covered:

- Slaughter Logistics
- Regulations- inspected vs non inspected
- Quality & Flavor Considerations
- Processor Communication & Cutting Instructions
- Packaging & Labeling
- Transport & Cold Storage
- Markets & Marketing
- Pricing & Costs of Production

Slaughter Logistics

- Know the regulations
- Schedule 6-12 months in advance
- Have a back-up slaughterhouse
- Low stress sorting/loading set-up
- Proper vehicle + trailer
- The drive (length, weather, time of day, etc)
- Animals should be clean, healthy
- Animals should be ready for slaughter (ideal harvest weight, fleshed out, on the gain)

Custom vs. USDA Inspected

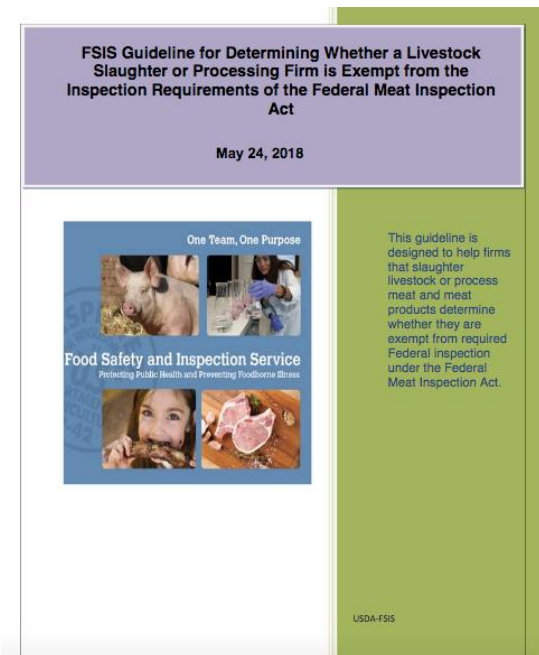
Custom: “On the hoof” sales only, custom wholes, halves, quarters. No wholesaling, no farmers markets, no restaurants

USDA: All options for selling, including crossing state lines. Requires USDA slaughter & stamp, approved label

State: Inspected to USDA standards but can't cross state lines. Available in 27 states

Guidance

FSIS Guideline for Determining Whether a Livestock Slaughter or Processing Firm is Exempt from the Inspection Requirements of the Federal Meat Inspection Act
published May 24, 2018



Page 7: Carcasses and other products of custom slaughter are not eligible to be sold. Therefore, sale or purchase of the live animal using the services of a custom exempt operator would be based on live weight, price-per-head, or other quantity pertaining to the live animal. The custom exempt operator can only charge the owner a service fee for the livestock slaughtered or prepared on a custom basis, not for the meat food product itself which is derived from the custom slaughter or processing because the custom exempt operator does not own the live animal nor the resultant product.

Another Unique Option

Retail Exempt: Retail exemption allows a meat processor to sell meat at its own retail storefront (or direct to consumer via other methods such as farmers market sales or a restaurant) without developing a HACCP plan or being inspected daily by USDA FSIS. Limited wholesaling allowed too (up to \$75K red meat, \$56K poultry annually). Slaughter of live animal still must be under inspection.

Poultry Exemptions

A person may slaughter up to 20,000 birds a year that they raised without needing continuous bird-by-bird USDA inspection. Still subject to provisions in the PPIA. Must sell direct to consumer or limited HRI (hotel, restaurant, institution) sales within state. Must be labeled Exempt P.L. 90-492.

Every state interprets the rule differently. See NMPAN Guide to State Poultry Processing Regulations



Open-air set up, usually under 1,000 birds



Simple enclosed set up, 1,001-20,000 bird level

Quality & Flavor

- Management/Diet #1, Genetics #2 or 3
- Low stress environment/handling
- Appropriate species for climate/vegetation
- Age of animal at slaughter
- Slaughtering process (low stress)
- Carcass cooling and aging
- Quality butchering, leaving enough fat
- Packaging & proper cold storage

Aging, Feed, Breed



Typical Meat Yields

Species	Starting Live Weight (example)	Dressing %/ Hot Hanging weight in lbs	Cutting Yield/ lbs (boneless, with trimming)	Final Yield as a % of Live Weight
Beef	1,000 lbs	62%/620 lbs	70%/434 lbs	43.4%
Lamb	100 lbs	50%/50 lbs	70%/35 lbs	35%
Goat	100 lbs	48%/48 lbs	70%/33.75 lbs	33.75%
Pig	300 lbs	74%/222 lbs	70%/156 lbs	52%
Chicken	6 lbs	70%/4.2 lbs	58%/2.5 lbs cut-up	41.6%
Turkey	20 lbs	77%/15.4 lbs	58%/9 lbs cut-up	45%

Processor Communication

- Tour facility first
- Get on first name basis with owner & key staff
- Provide clear cutting instructions; ask for their advice
- Clear, respectful, timely communication
- Reliability (date, # of animals, payment)
- Understand your *interdependence*

Butchering/Fabrication

- Will you age? Beef 7-21 days, goat/lamb/pigs 1-7 days
- Whole carcass utilization, sell all parts
- Understanding customer preferences
- Seasonality of cooking
- Portioning: weight, size, pack size
- Bone-in or boneless?

Packaging & Labeling

- Where will the meat be marketed?
- Vacuum sealed, heat shrink or paper wrapped
- Fast freezing
- Boxes or baskets
- Labeling: generic vs. branded
- Making label claims
- Label approval process



Transport & Cold Storage

- Sanitary- wash those coolers regularly
- Don't break cold chain
- Temperature check & record
- Keep frozen meat under 32 degrees and fresh meat under 40 degrees.
- Use ice or frozen water bottles if needed
- You may need a meat handlers license if storing/transporting your meat for sale; dependent on state

Market Differentiation

- Breeds: Heritage breeds or exotics
- Older animals, fatter or leaner animals
- Production method: grassfed, pastured, forest-fed, organic, antibiotic/hormone free
- Feed: organic, non-GMO, soy-free, local feeds, spent grains, nut-finishing, etc.
- How you sell: sides, mixed boxes, CSA, by the cut, primals, subprimals, wholesale
- Attributes: seasonality, selection, local, quantity, quality, delivery, payment plans, etc.

Market Channels

- Direct to consumer (bulk sales, farmers markets, buying club, CSA, farmstand)
- Partner with groups (Weston Price, Paleo groups, Crossfit gyms, businesses, church)
- Restaurants & caterers
- Food service (universities, hospitals, etc)
- Independent retailers & butcher shops
- Brokers & distributors
- Branded meat companies

Pricing

- USDA AMS reports: ex. grassfed beef carcasses on 11/30/18 avg. \$4.27/lb.
- Look at 'competitor' pricing
- Compute your actual costs of production
- Add your desired profit margin (15-35%)
- Figure out hanging weight & retail cut pricing based on all of the above
- A nice way to determine cut prices is use <http://calculator.meatsuite.com>

Pricing Example

Cost to produce 1,000 lb grassfed steer: \$1,250

Plus kill fee & butchering: \$550

Transport to & from slaughterhouse: \$200

Cost storage & marketing costs: \$175

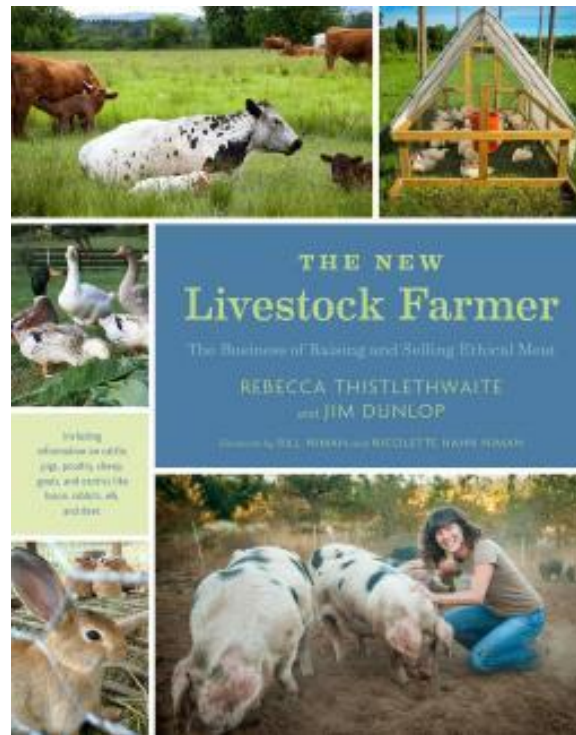
Overhead & depreciation: \$150

Total cost per beef: \$2,325

On 434lbs finished meat, that would be a breakeven price of \$5.36/lb. Add on a 20% profit margin would be a avg. price of \$6.43/lb.

For More Information:

“The New Livestock Farmer: The Business of Raising & Selling Ethical Meat”



<https://www.chelseagreen.com/product/the-new-livestock-farmer/>

Niche Meat Processor Assistance Network (NMPAN)

NMPAN is a network and info hub for people and organizations who want small meat processors to thrive. We offer tools and information for small processors and the farmers, marketers, and meat buyers who depend on them.

www.nichemeatprocessing.org

Further Questions?

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Questions & Answers

Please type your Q's into the chat bar



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Upcoming webinars in 2019

- **January 7:** Predator Protection for Poultry
- **January 14:** Predator Protection for Livestock
- **January 23:** Creative Leasing for Livestock Farmers
- **January 29:** New Zealand Method of Sheep Shearing
- **February:** Three part series on parasites in sheep & goats

Grants, Scholarships, Mentorship & More!

- **Mentorship program applications – deadline is January 31**
- **Scholarships accepted on an on-going basis**

Sign up for emails @ foodanimalconcernstrust.org/farmer/

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