

Selling Meat and Poultry March 28, 2023

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OSU EXTENSION PRESENTS

Starting a Food Business

What you need to know about selling your home-based and farm-raised foods

Join us for three webinars to help you start your food business!



Start-Up Basics

Jan. 24

What do you want to sell? We'll explain the food safety, licensing, legal, and economic considerations to help you start selling your food products.



Selling Home-Based Foods

Feb. 28

Learn about food product development, Ohio's Cottage Food and Home Bakery laws, and requirements for selling canned foods.



Selling Meat and Poultry

Mar. 28

We'll discuss the economics of selling meat and poultry, meat processing options, and meat labeling and licensing laws.

Follow up information

Farm Office Ohio State University Extension

🦸 About Us Events 🗸 Ohio Ag Law Blog Law Library 🗸 Farm Management 🗸 Tax 🔻 Farm Transition Planning

Agritourism Law

Animal Law

Literay Law

Environmental Law

Farm Finance Law

Estate & Transition Planning

Farm Leasing Law

Farmland Preservation Law

Food Law

Starting a Food Business

Line Fence Law

Nuisance Law

Premises Liability Law

Roadway and Equipment Law

Tax Law

Water Law

Zoning Law

Internet Resources

Starting a Food Business

// LAW LIBRARY // FOOD LAW // STARTING A FOOD BUSINESS

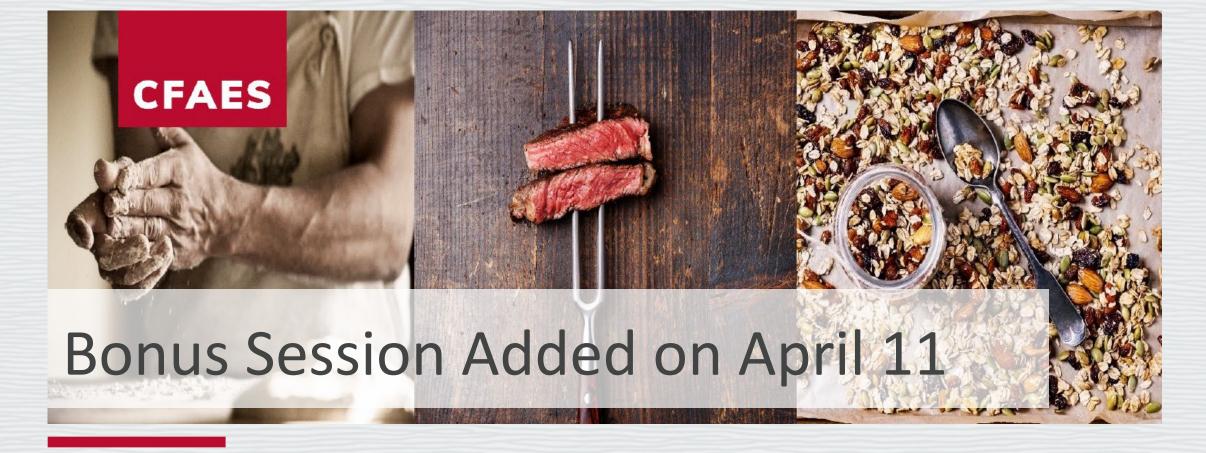
RESOURCES FROM THE STARTING A FOOD BUSINESS WEBINAR SERIES

Webinar 1: Start-up Basics



 Watch for an e-mail with resources related to today's webinar.

 Find a recording of this webinar on the Farm Office website's Food Law Library at farmoffice.osu.edu or at go.osu.edu/startingafoodbusiness.



Q & A with ODA

Tuesday, April 11, 7:00 PM You're already registered!

THE OHIO STATE UNIVERSITY

EXTENSION

A chance to ask additional questions to Ohio Department of Agriculture officials:

- Jason Ahrens, Division of Food Safety
- David Smeller, Division of Meat Inspection



Ohio State University Extension



- An education-driven organization that promotes lifelong learning
- Outreach of the College of Food, Agricultural, and Environmental Sciences
- A statewide network linked to a nationwide network – that links individuals, communities, and businesses to research and development resources of Ohio State and beyond.

Teaching Faculty



Peggy Kirk Hall
Agricultural Law Field Specialist
OSU Extension



Garth RuffBeef Cattle Field Specialist
OSU Extension

We'd like to know more about you...

Selling Meat and Poultry



Licensing and Labeling Laws



Meat Marketing



Meat Yield and Pricing



How Not to Market Meat



Opportunities

CONTACT

RELATED SITES

GO TO 101.01

more Service Commission staff updates the Revised Code on an ongoing basis, as it completes its act review of enacted legislation. Updates may b me times of the year, depending on the volume of enacted legislation.

er 918 | Meat Inspection

dsed Code / Title 9 Agriculture-Animals-Fences



Licensing and Labeling Laws

18.02 | Ante-mortem inspections of all animals slaughtered.

18.03 | Adulterated or unwholesome conditions.

18.04 | Rules to administer meat inspection.

8.05 | Health requirements for employees.

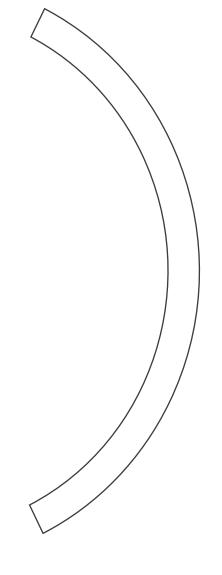
118.06 | Unauthorized possession, use or keeping of stamps, marks, or brands.

18.07 | Sale of meat or meat products produced for human food.

918.08 | License - annual fee - violations.

918.10 | Exemptions from chapter requirements.

What does the law require?



What do you want to sell?

Type of meat Whole, half, quarter Individual portions

Where do you want to sell it?

At the farm
At a farmer's market
To institutions
Delivery/CSA



The Laws

- 1. Selling poultry raised and processed at the farm.
- 2. Selling meat in whole, halves, and quarters.
- 3. Selling meat in individual portions.
- 4. Licenses.
- 5. Labels.

Selling your own poultry at the farm

You may process and sell up to 1,000 birds per year at the farm without a processor license <u>if</u>:

- 1. The birds were raised on the farm from eggs or chicks,
- 2. And are slaughtered and processed on the farm,
- 3. And are sold from the farm direct to consumer or HRI (hotel, restaurant, institution).



Selling your own poultry at the farm

You may sell up to 20,000 birds per year at the farm with a **Custom Exempt Operator** license and inspection (grower/processor license) from ODA <u>if</u>:

- 1. Birds are raised from eggs or chicks on the farm,
- 2. And are slaughtered and processed on the farm.
- 3. And sales are direct to consumer or HRI accounts.

Regulation - Who Does What?

- Meat Inspection (wholesomeness)
 - Ohio Department of Agriculture
 - https://agri.ohio.gov/divisions/meat-inspection/
 - USDA Food Safety Inspection Service
- Meat Sales (safe handling)
 - Local County Health Department



Ohio Dept of Ag

Meat Inspection in Ohio

- Fully Inspected Processors-
 - Meat with inspection legend can be sold to public.
- Custom Exempt Processors-
 - Business that processes meat specifically for the farmer's own consumption. Meat will be marked "Not for Sale".









Meat Processing Facilities

~76 ODA Custom Exempt

~184 ODA Fully Inspected

~40 USDA

Poultry

Red Meats

Commissary/Further Processing

Harvest or Processing Only

ODA Interactive Map



Selling meat in whole, halves, and quarters

- 1. You can use a processor with a **Custom Exempt** license.
- 2. The processor must label the meat "not for sale."
 - You can't sell meat labeled NFS in individual portions.
- 3. If buyer picks up the meat or you deliver frozen meat directly to buyer without intermediate storage, you don't need a license.
 - You <u>do</u> need a license if you <u>store</u> the meat for the buyer.
- 4. You can't sell less than a quarter of an animal this way.

Selling meat in individual portions

You must use a processor with a Fully Inspected Operator license from ODA ("federally inspected")



To <u>store</u> the frozen meat at the farm for later sales, you need a **Warehouse Registration** from ODA.



To <u>sell</u> the meat, you need a **Retail Food Establishment License**(**RFE**) from a county health department.

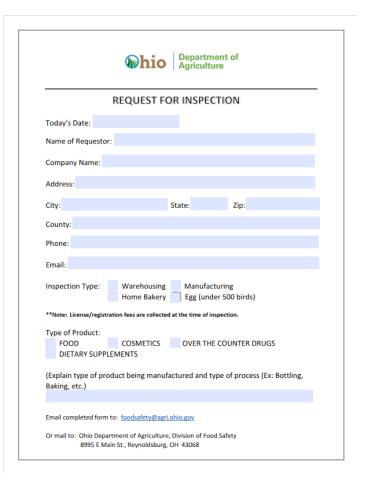


Or you need a **Mobile RFE** from a county
health department to
sell meat from a
transported freezer.



The Warehouse Registration To store your frozen meat for later sales

- From ODA Food Safety (referred to as "registration" on website).
 - Submit a "Request for Inspection" form.
- Freezer cannot be inside a house but can be in a barn or separate garage.
- Storage area must be clean and free from pests and chemicals.
- Temperature control at 41 degrees required.
- Fee is based on square footage.





The Retail Food Establishment (RFE) License

To sell your frozen meat

- From your county health department.
- The RFE is applicable in any other county.
- For inspection guidance, check with your health department.
- Requires temperature control at 41 degrees.

Pickaway County Public Health

110 Island Rd., Suite C, P.O. BOX 613 CIRCLEVILLE, OH 43113 Phone 740-477-9667 | Fax 740-474-5523 | Clinical Health Fax 740-420-6102



PLAN REVIEW APPLICATION OF PROPOSED FOOD SERVICE OPERATION OR RETAIL FOOD ESTABLISHMENT

According to OAC 3701-21-03: Facility layout and equipment specifications are required to be submitted to the local health department for all new or extensively altered food service or food establishment operations. This office will act upon these specifications within 30 days of receipt and will indicate whether the plans are approved, disapproved, or need revised.

Address:	City:	State	Zip	
Telephone: ()_		Township:		
Name of Owner or Owner's Representa	ative:			
Mailing Address:	(Dity:	State	Zip
Telephone: ()	Fax: ()			
E-mail Address:				
Will this be a ☐ Retail Food Estat	blishment or a	Food Service	e Operati	on
Total Square Feet of Facility:				
Seating capacity:				
Is this a: ☐ New facility(new cons	truction or a fac	ility that has n	ot been li	censed in th
last year)				
□ Remodel/extensive alt				
□ New Equipment instal			acility	
☐ License transfer of a c	currently license	d facility		

Your application must comply with the ORC 3717-1-09. The facility layout and equipment specifications submitted for the approval of the licenser shall clearly confirm that the applicable provisions of Chapter 3717-1 of the Administrative Code can be met.



Mobile Retail Food Establishment license

To sell your frozen meat from a mobile unit

Pickaway County Public Health

110 Island Rd., Suite C, P.O. BOX 613 CIRCLEVILLE, OH 43113 Phone 740-477-9667 | Fax 740-474-5523 | Clinical Health Fax 740-420-6102



- From your county health department.
- Requires temperature control at 41 degrees.
- Requires <u>commercial</u> equipment.

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City:		State _	Zip
City:		State	Zip
)			
		Onerati	on
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ra 🗆 Food 🤄	Service (Operati	on
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a facility that	has not	been li	icensed i
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Your application must comply with the ORC 3717-1-09. The facility layout and equipment specifications submitted for the approval of the licenser shall clearly confirm that the applicable provisions of Chapter 3717-1 of the Administrative Code can be met.



Meat labels

You may sell under your processor's pre-approved label



Label for individual packages must contain:

- Ohio inspection identification mark
- Name of product
- Net weight
- Safe handling statement
- Establishment number
- Ingredients, if applicable

Label approval requirements

You must have your label **approved** if:



- 1. You want to use your unique business name.
- 2. You want to make special statements and claims about the meat.

Label sketch must be approved by ODA Meat Inspector and coordinated with your processing facility.

 Can be a long approval process (~6 months?), so plan ahead.



Claims that require label approval

Even if claims are only on a website or in promotional materials

- Nutrient content
- Animal raising or production
- Breed
- Other marketing claims

Examples:

"Raised humanely"

"Organic"

"Raised without antibiotics"

"Grass-fed"

"Sustainably raised"

"Free range"

"Angus"



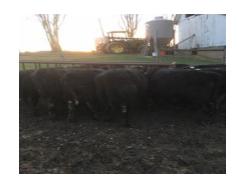


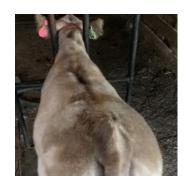
Getting to know you

•Why are you in the local food business?

•Why do consumers want to buy your animal products?



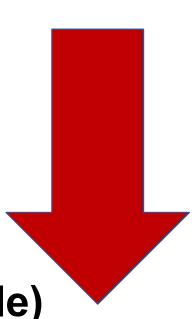


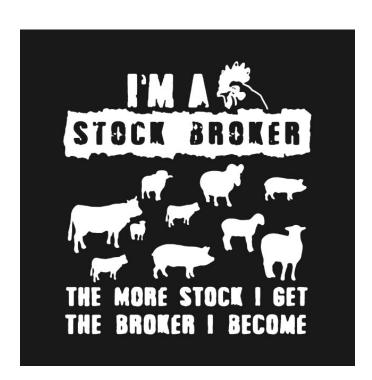




Marketing Options – Risk

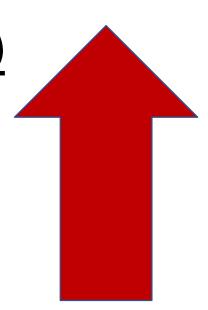
- Retail Direct Marketing
- Cash Sale Rail
- Contract on the Grid*
- Sale Barn
- Live Contract
- Buying Station
- Freezer Beef (Wholesale)
- *If I do not have above average beef quality





Marketing Options – Profit Potential

- Retail Direct Marketing
- Freezer Beef (Wholesale)
- Contract on the Grid*
- Cash Sale Rail
- Live Contract
- Sale Barn
- Buying Station
- Freezer Beef (Wholesale)
- *If I have above average beef quality







Wholes, Halves, Quarters

Must know Cost of Production after that... Where is the added value? Bulk

Home raised Personal connection Quality?? Can you verify





Retail Farm to Table

- Higher Labor, Marketing Costs
 - Compared to Wholesale
- True price setter
- Product must be worth the cost
- Guarantee of quality and quantity

Making Meat Buying Decisions

- Cost?
- Quality?
- Health?
- Relationships?
- Production factors?

Why Consumers Purchase Commodity?

- Cost? Yes, Economy of Scale
- Quality? Graded product, can evaluate on shelf
- Health? Wholesomeness
- Relationships? Not often
- Production factors? Becoming more so

Why Consumers Purchase Direct?

- Cost? Shouldn't be What about freezer beef?
- Quality? May be associated, often unverified
- Health? Maybe perceived
- Relationships? Yes
- Production factors? Perhaps

Your Ideal Consumer

- Age, income, education, kids?
- Values (supporting local)
- Interests healthy foods for self/family
- Lifestyle single, family, retired, etc.

• **Disposable Income** to spend on premium product



Understand that Local Foods Fill a Niche

"Products that have certain <u>attributes which are not found in</u> <u>traditional commodity meats</u>, and which <u>some</u> groups of customers prefer or see value in and are <u>willing to pay a</u> <u>premium</u>.

Examples include: non-GMO, antibiotic and growth promotant free, or animal by-products in the feed; heritage breeds and varieties; organic; and locally grown or farm direct. These attributes typically require <u>unique</u> production practices which <u>can limit</u> <u>supply and availability</u>, although niche does not necessarily mean small."

35

Working with a Processor

- Develop a relationship Most Important
- Utilize an inspected facility
- Establish costs and through put
 - Plan to move product
 - You are not their only customer!
- Work on consistency of cutting and processing
 - –R&D for new products?
 - -Value added?

vac con	TERMAN BROTHER 14076 Laurel Hill Ro	RS' PROCESSING
Paper	Glenford, Ohio 43739 Phone: (740)787-29	9 w. 1
Whole Beef Side Split Side	Hind (Quarter Quarter
<u>Steaks</u>	Thickness	No. in Package
Rib Sirloin T-Bone Round Cube		
Roasts	Pounds in Pkg.	yes/no
Arm English Chuck Rolled Rum Pikes Peak	•	Short Ribs Boiling Beef Soup Bones Stew Meat
<u>Hamburger</u>	# Patties	#no/pkg.
Additional Instruction	ons:	
Name:		Phone:
Completer Address:		
Circle best day to Beef must be pic storage fee will b	pick up: M T W Th ked up within 24 hou e charged	F S urs after notice or

☐ Whole ☐ Half		☐ Fron	t	☐ Hind	
Pick-up Date		- 	2	0	
A	Adults	Children			
Owner of Be	eef				
Dressed Wei	ght before Processir	ng			
Units per Pkg.	FRON	T QUARTER		Size Thickness	
	Rib Steak				
8	Rib Roast	266			
	Chuck Roast				
<u>Vanira</u>	English Roast				
	Soft Rib		save 🗆		
	Short Rib		save a		
<u>«</u>	Boneless Stew			200	
	Soup Bones				
	Ground Beef				
· · · · · · · · · · · · · · · · · · ·					

FINITE

Label Claims

- USDA Factsheet
 - https://www.fsis.usda.gov/sites/default/files/import/RaisingClaims.pdf
- Examples of animal raising claims that are required to be approved by FSIS prior to use in commerce:
 - 1. Raised Without Antibiotics
 - -2. Organic
 - -3. Grass Fed
 - -4. Raised Without the Use of Hormones

USDA FSIS Example Label How Many Label Claims?

Label Example **BEEF USED** USDA - Grass-fed ORGANIC Free Range[®] No Added Antibiotics No Added Hormones Administered Source Verified and Traceable to TMB Ranch **Fully Cooked** Organic Angus Beef Brisket Rubbed with: water, salt, and organic spices. *Never confined to a feedlot. Distributed by TMB Ranch, Inc. Keep Frozen 1234 Special Rd. Elsewhere, VA 54321 Certified Organic by LPDS True 2 Earth Net Wt. 18 oz (1 lb 2 oz)

Label Claim Verification

- The previous label contains the following types of claims:
- Breed (Angus);
- Diet (Grass-fed);
- Living/Raising/Raising Conditions (Free-Range);
- Raised Without Antibiotics Livestock/Red Meat (No Added Antibiotics);
- Raised Without Added Hormones (No Added Hormones Administered);
- Source/Traceability (Source Verified and Traceable to TMB Ranch);
- Third-Party Certification (LPDS True 2 Earth); and
- Organic (USDA Organic)

Meat Quality

Review carcass quality (beef)

https://www.youtube.com/watch?v=0iqHCIJWPQg&t=1735s

- Any quality related label claims must be verified
 - -Choice, Prime, Certified Angus Beef
 - Must be graded by USDA AMS
- Can price point justify grading?
- Currently limited capacity for graded product



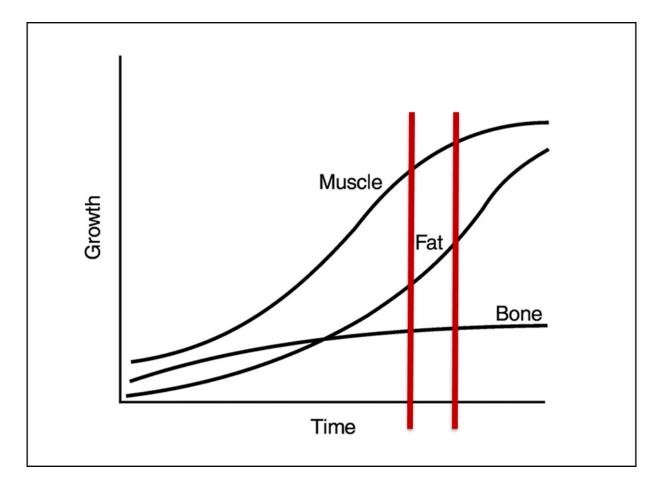
Improving Animal Yield and Quality

- Yield
- Timely marketing
- Focus on terminal traits (REA, FAT, \$B)

- Quality
- Genetics (EPD's, Genomics, Breeds)
- Nutrition (quality, composition, DOF)
- Management (health and handling)

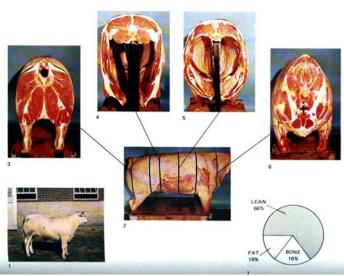


Timely Marketing



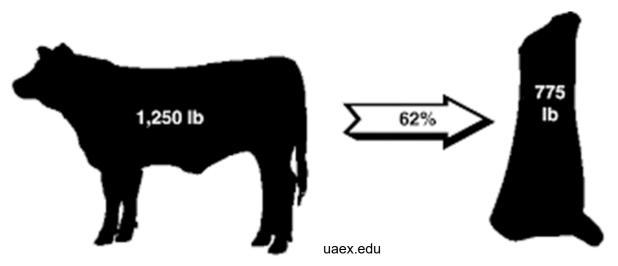
How Much Meat is There?

- Pounds of Meat =
- (Dressing Percent X Carcass Cutting Yield) X Live Weight
- Two factors that affect the percentage of meat that you will receive:
 - Dressing Percentage
 - Carcass Cutting Yield



Dressing Percentage

- The percentage of the live animal that ends up as carcass
- Dressing Percentage = (Carcass Weight / Live Weight) X 100



Average Dressing Percentage

- Beef cattle: 62-64%
- Dairy steers: 59-61%
- Market hogs: 72-74%
- Market lambs: 52-54%
- Broilers: 70-72%
- Turkeys: 77-81%

Impacted by Gut fill, Muscling, Fatness, Shud, Wool







Cutting Yield

- Carcass Cutting Yield = The percentage of the carcass that ends up as saleable product.
- Carcass Cutting Yield = (Pounds of Meat / Carcass Weight) X 100
- %BTRC = Boneless Trimmed Retail Cuts

Factors Impacting Cutting Yield

- Fatness
- Muscling
- Bone-in versus Boneless
- Amount of Fat Remaining on the Meat Cuts
- Leanness of the Ground Product

Thinking like a processor

Beef Yield

Live Wt.	Dress %	Carcass Weight	Yield Grade	Percent Cutability	Pounds BTRY
1250	62	775	1	52.3	405
1250	62.5	781	2	50.0	390.5
1250	63	788	3	47.7	376
1250	63.5	794	4	45.4	360
1250	64	800	5	43.1	345

Added carcass weight due to increased backfat thickness.

Dressing % Increases YG Increases

Cutting Yield Decreases %BTRC Decreases

Pork Yield

- Average market hog, weighed full, 250 lbs., bone-in chops and roasts, closely trimmed, regular ground pork/sausage:
 (.72 X .74) X 250 = 53% X 250 = 133 lbs. of meat
- Average market hog, weighed full, 250 lbs., boneless chops and roasts, closely trimmed, lean ground pork/sausage:
 (.72 X .65) X 250 = 47% X 250 = 118 lbs. of meat
- Very fat, light muscled market hog, weighed full, 250 lbs., boneless chops and roasts, closely trimmed, lean ground pork/sausage:
 (.74 X .50) X 250 = 37% X 250 = 93 lbs. of meat

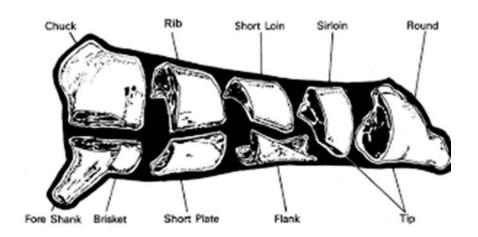
Lamb Yield

- Average market lamb, shorn, weighed full, 120 lbs., bone-in chops and roasts, closely trimmed, regular ground lamb:
 (.51 X .75) X 120 = 38% X 120 = 46 lbs. of meat
- Average market lamb, shorn, weighed empty, 120 lbs., bone-in chops and roasts, closely trimmed, regular ground lamb:
 (.54 X .75) X 120 = 41% X 120 = 49 lbs. of meat
- Fat, light muscled market lamb, long fleece, weighed full, 120 lbs., bone-in chops and roasts, closely trimmed, regular ground lamb: (.48 X .65) X 120 = 31% X 120 = 37 lbs. of meat



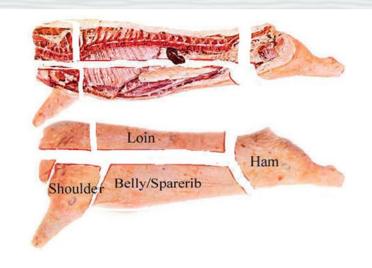
Beef

- Seasonal items
 - Brisket, Roasts
- Steady demand almost year round
 - Ground Beef, Steaks
- More challenging* cuts to market
 - Chucks, Rounds, Plates, Flanks
- Value added
 - Non traditional cuts, further processed



Pork

- Seasonal items
 - Whole Hams, Butts, Spare Ribs
- In higher demand almost year round
 - Bacon, Pork Chops
- More challenging* cuts to market
 - Picnic, Ham, Excess Trim/Ground Pork
- Value added
 - Linked products, Patties, Hot Dogs, Smoked





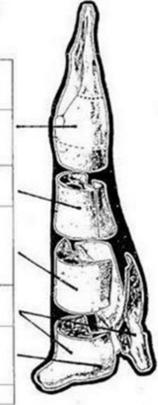
Lamb/Goat

- Easier to market cuts
 - Chops, Legs, Stew Meat
- More challenging* cuts to market
 - Breast, Shoulders, Ground
- Value Added
 - Gyro, Linked Product

A 120 pound live lamb yields 46.7% of eatable cuts - approximately 56 pounds

Approximately 53 pounds (44.2%) of the live lamb is lost in hide and entrails and 11 pounds (9.1%) are bones and waste.

Useable Cuts	Grocery Store Price Per Pound	Total Price for Yield		
Leg - 13 lbs. of: ☑ Leg of Lamb ☑ Shank	\$ 4.99	\$ 64.87		
Loin/Flank – 15 lbs. of: ⊠ Loin Chops ⊠ Roast	\$11.99	\$ 179.85		
Rack - 5 lbs. of: ☑ Rib Chops ☑ Roast ☑ Ribblets ☑ Stew Meat	\$ 9.99	\$ 49.95 \$ 5.98		
Chuck – 15 lbs. of: ☑ Shoulder Roast ☑ Shoulder Chops	\$ 5.99	\$ 89.95		
Fore Shank/breast – 8 Ibs. of: Shank or Breast Roast	\$ 4.99	\$ 39.92		
Total retail 56 lbs. of	lamb	\$ 430.52		



Retail price estimate may vary with sale ads and from store-to-store.

Pricing Product

- Cost of Animal
- Feed
- Yardage (value of time)
- Kill and Cut
- Package
- Transport
- Licenses/Fees
- Advertising
- = Breakeven/Carcass Weight = Breakeven Hanging Price

Hanging Price x Cutting Yield = Avg. Breakeven Retail Price Per Pound

Margin

What should your profit margin be?

"I can't charge more than the grocery store"

Knowing your target market will allow you to know what price your product can demand.

Retailers margin ~30%

Price can help differentiate from... Box store retailers



Tools To Determine Price

Whole Sale, Carcasses and Primals

https://www.ams.usda.gov/market-news/livestock-poultry-grain#Meat

- Beef Carcass Price Equivalent Index Value
- Cattle and Beef Summary Report
- Boxed Beef Cutout & Cuts
- National Daily Pork FOB Plant
- <u>5-Day Rolling Average Boxed Lamb Cuts</u>

<u>Retail</u>

https://www.ams.usda.gov/market-news/retail

How Not to Market Meat

(and get Beef Extension Specialist fired up at the same time)



How to Lose Consumer Trust

- Misrepresent your product
 - Labels, Grading
- Misinterpret science or regulation
 - Healthier, Sustainable
- Be negative towards competition
- Neglect inventory

Meat Steroid & Hormone Free Meat

Our cattle are grass and grain fed, "STEROID and HORMONE FREE". We offer many different cuts of freezer meat at our market & traveling markets and you will certainly taste the difference.

New option for anyone wanting to support local and buy 1/8 beef share available for on farm pickup!

\$525 includes:

20# ground beef

2 pkgs beef Patties

1 rump roast

1 Chuck roast

2 pkgs stew beef

1 pkg Ribeyes (2/pkg)

2 pkgs sirloin steaks (2/pkg)

2 pkgs NY Strips (2/pkg)

1# beef bacon

12# Meatloaf

1 pkg hotdogs (10/pkg)

2 pkgs of crosscut beef shanks

1 2# fajita strips

See something you don't prefer we can work with you to swap it out.

As always, born here, raised and fed on our farm, processed by a USDA inspected butcher and pickup is directly from us, your farmers!

Why We're Different

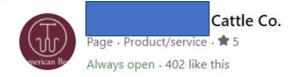
The inclusion of grain into cattle diets partially began and continues due to cheap grain prices. Feed grain prices, mostly consisting of corn, soybeans and wheat, typically exhibit a lot of volatility, but in general government programs are designed in such a way to help keep prices at the farm gate as level as possible and nearly at the cost of production. Large fluctuations in price are hard to manage for both the producer and consumer.

As higher percentages of these cheaper grains were added to the diets of fattening cattle, finishing operations transformed into much larger herds. It became a more streamlined operation than when we allowed animals to roam the fields foraging for their needs. It became a more controlled situation and thus much easier to fatten cattle on a feedlot by supplying them with a high energy diet that varies little in it's day to day ingredients. Theses cattle don't have options to pick and choose what they are going to eat, it's all right in front of them in the bunk.

Contrast that to cattle which are are 100% grassfed to finish. The majority of their life is spent in the pasture identifying what they want and don't want to eat. A significant influence in what a calf learns to include in its diet comes from the example of its mother while it is young. By observing her, the calf does not have to try every plant, good or bad on it's own.

Many factors can cause variations in cattle's diet. Seasonal growth patterns of the plants, differences in rainfall amounts, the type of plants occurring in a field, mineral deficiencies or surpluses in the soil, even the topography of the land can sometimes challenge the animals in their quest for what they desire to consume. This is where grass farmers must use their management skills and improvements in available grazing products to overcome uncontrollable variables as much as possible. We can now decide the size and shape of the areas cattle have access to much better than in the past with portable fencing. This also allows us to limit how much time they spend eating in any designated paddock or field.

The cattle can utilize the available forage and be moved on to a new area allowing the sun and natural biological activity to "sanitize "that grazed area. This natural sanitation effect reduces the pathogen load resulting in healthier animals as compared to animals that spend the last half of their life standing in the same concrete feedlot. Pressurized water systems and flexible piping can be utilized so that cattle don't



Prime and Choice Angus Beef



We have a lot of steaks, ground beef and patties for sale!

This meat is not soy based or lab engineered like the stuff that Burger King sells or that flubber warmed up disk between a bun from McDonalds. No hormones or additives that you'd see at any Walmart or Kroger that's been sitting in a slimy foam tray with preservative sprayed on it. This is fantastic home grown American Beef! I value my product, health of animals as well as new and old customers! Feel free

A lesson to be learned...





	Farmers' Market	CSA	Farm Stand	U-Pick	Distributor	Grocery	Restaurant
Risks	Low customer turn-out, price competition, leftover unsold product.	Farmer commitment up- front, customers share the risk.	Low customer turn-out.	Low customer turn-out. Weather. People on the farm.	Distributors "call the shots." Inconsistent orders, buyer back-out.	Inconsistent or- ders, buyer back-out.	Unpaid debts, buyer back-out. Can be slow to pay.
Prices & Profit	Prices varies. Can be highest among the channels. Labor costs relatively high.	Price is similar to wholesale, however, profit is generally higher.	Prices vary, but high profit potential. Location is a big factor in price.	Prices vary, high profit potential. Location is a big factor in price.	Price is low: Producer is a "price taker." Wholesale prices are generally low.	Price is low: Producer is a "price taker." Wholesale prices are generally low.	Prices vary. Usually higher than other wholesale prices.
Volume	Varies with market. Low to medium.	High: It is possible to "move" all the produce harvested.	Medium to low: location and competition de- pendant.	Medium to low: location and competition de- pendant.	High	High to variable.	Variable, usually small.
Level of Marketing Management Required	High: Many hours dedicated to selling. Most markets run 3-5 hours/day.	High: Must sell memberships & facilitate weekly share pick-ups. Less post- harvest work.	Variable: Ranges from unstaffed honor system to staffed stores.	Variable: Ranges from unstaffed honor system to staff supervision. Must advertise.	Low: Relatively quick & easy for volume sold. Must meet packing standards.	Low: Relatively quick & easy for volume sold. Must meet packing standards.	Variable: A high level of service for the volume sold.
Associated Costs	Market fees, equipment, travel, hired la- bor.	Packaging materials, advertising, bro- chures.	Road side signs and other advertising. Sales staff is optional.	Road side signs and other advertising. Sales staff is optional.	Washing, cooling & packing equipment for high volumes. Delivery costs.	Washing, cooling & packing equipment for high volumes. Delivery costs.	Washing, cooling & packing equipment for high volumes. Delivery costs.
Farmer Stress	Low: "Show up or don't show up."	Low to medium. Must meet customer expectations weekly.	Variable: Depending on overhead & scale.	Low	High: Distributors cited as highest stress customers.	Medium to high.	Medium to high.

LeRoux, Matthew. Guide to Market channel Selection: How to Sell through Wholesale and Retail Outlets. http://ccetompkins.org/sites/all/files/factsheets/factsheet-1317.pdf. July 2011

FARM-RAISED MEATS MARKETING CHALLENGES

Challenges	Direct On-Farm	Farmers' Markets	Buying Clubs, CSA	Local Wholesalers, Local Grocers, or Institutions	Restaurants, Internet	Home Delivery
Difficulty getting into the market	Low	Medium	Low-Medium	Medium	High	Medium-High
Marketing time required	High	Low	Low	Medium-High	Medium	High
Compatible with off-farm employment	Low	High	Medium	High	High	High
Importance of product quality (especially shelf life)	High	High	High	Medium-High	High	Medium

University of Maryland Extension

FARM-RAISED MEATS PRICING STRATEGIES

Factors Affecting Pricing	Direct On-Farm	Farmers' Markets	Buying Clubs, CSA	Local Wholesalers, Local Grocers, or Institutions	Restaurants, Internet	Home Delivery
Uniqueness of what you sell	High	High	High	Medium	Somewhat High	High
Your business image	High	High	Medium	Medium	High	Somewhat High
Season of the year	High	High	High	Low	High	Medium
Importance of customer feedback	High	High	High	Medium	High ty of Maryland	Medium

Things to Consider Going Forward

- Target Market
- Marketplace
- Regulation
- Processor Relationships
- Quality Product
- Marketing Strategies
- Time and labor requirements
- Pricing and collecting money







Join us next month for

Q & A with ODA

Tuesday, April 11, 7:00 PM



A time to talk with Ohio Department of Agriculture officials:

- Jason Ahrens, Division of Food Safety
- David Smeller, Division of Meat Inspection



Thank you for joining us

- We appreciate your survey responses upon exit!
- Find this recording and our resources at go.osu.edu/startingafoodbusiness