



RETAIL MEAT SALES CONSIDERATIONS



National Institute of Food and Agriculture
U.S. DEPARTMENT OF AGRICULTURE

THIS MATERIAL IS BASED UPON WORK SUPPORTED BY USDA/NIFA UNDER
AWARD NUMBER 2022-70419-38562.



NORTHEAST
EXTENSION
RISK
MANAGEMENT
EDUCATION



OVERVIEW

Welcome!

Pennsylvania Farm Link, in collaboration with Northeastern Risk Management Extension and the United States Department of Agriculture, is pleased to share Retail Meat Sales Considerations.

As consumers value the quality of meat products they purchase, more are turning to local farms to support local economy and ensure they are consuming products from people they know. As a result, local farmers are evaluating the option to diversify their livestock marketing strategies through direct marketing meats. As a farmer, it is imperative to understand food safety, legal requirements for meat products, and ways to retain customers.

In this booklet, you find information on food safety and inspection, meat pricing resources, effective meat marketing options, consumer outreach, and more. We hope that the information and useful links found within this booklet helps you navigate your meat producing decisions.

It is very important to keep in mind that Pennsylvania farmers, major grocery store chains and larger meat processing companies have very different working business models and therefore are not economies of scale with each other. Smaller farms will have higher output costs per unit or animal than a larger scale farm or company that has greater efficiency in production and meat processing. Therefore, it's not wise to set prices at or undercut prices of the local grocery store. Since smaller farms have higher input costs, pricing product in this manner will mean selling at a loss and creating an unsustainable business.



BOOKLET INDEX



01

Exploring Two Ways - Page 3

02

*Meat Marketing Channels:
Which route will you take?* - Page 5

03

*Introduction to Licensing
Requirements* - Page 7

04

Liability Insurance - Page 7

05

*Food Safety Territory Team
Assignments* - Page 8

06

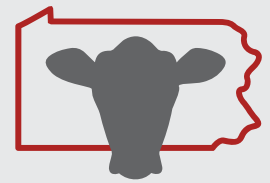
Pricing Resources - Page 9

07

Educational Resources - Page 10

EXPLORING TWO WAYS

TO DIRECT MARKET LIVESTOCK IN PENNSYLVANIA



P.3

Producers have two options to pursue when marketing livestock post harvest in the U.S. Option one includes selling animals or meat products from animals under United States Department of Agriculture (USDA) inspection. Option two includes the custom sale of live animals to be harvested by the buyers choice of butcher.



USDA-FOOD SAFETY AND INSPECTION SERVICE (FSIS) INSPECTION REQUIRED FOR RETAIL AND WHOLESALE



Meat or carcass can be sold anywhere in the United States



WHOLESALE

» This can be defined when a USDA inspected processing establishment sells meat and/or meat products to retailers, a distributor for cold storage, hotels, restaurants and institutions. Each box or package must be labeled with the mark of inspection. Most require proof of a liability insurance and have a required dollar limit.



RETAIL

» In Pennsylvania, this refers to the direct sale of meat and meat products to the consumer. This could be at a farmers' market, at the farm, local or chain grocery store, as well as internet sales. Animals must be harvested under USDA inspection, and meat purchased bearing the mark of inspection may be further processed (cut, ground, smoked, etc.) at the Pennsylvania Department of Agriculture (PDA) licensed retail facility.



WHAT DOES THE USDA-FSIS MARK OF INSPECTION LOOK LIKE?



Stamp on carcasses



Stamp on meat label

FAQ

FREQUENTLY ASKED QUESTIONS

1. Can meat be sold from animals slaughtered under USDA-FSIS inspection?

- Yes. Each package of meat must be labeled and bear the mark of inspection.
Please be aware you will also be required to have a license for your farm through PA Dept. of Ag to sell your meats. They can tell you which license is required.

2. How do I find a USDA inspected facility near my location?

- USDA lists all of the inspected meat processing facilities in the United States. The directory can be accessed on the web (<https://www.fsis.usda.gov/inspection/establishments/meat-poultry-and-egg-product-inspection-directory>) or through the smart phone app. Search for "Meat & Poultry Inspection Directory" in your systems app store.

3. Can I have my animal slaughtered under USDA-FSIS inspection and "customize" how it is cut-up?

- Yes.

4. Can I sell my meat at a farmers' market?

- Yes, if the animal was harvested, cut-up and packaged under USDA-FSIS inspection and bears the mark of inspection. For more information on PDA licensing, visit PDA's website here:
https://www.agriculture.pa.gov/consumer_protection/FoodSafety/Retail%20Food/Pages/default.aspx

5. My processor is 'inspected' once per year. Are they an inspected facility?

- No. USDA-FSIS inspection is typically daily but may only be weekly for some facilities. Custom exempt and PDA retail facilities are usually only 'inspected' once per year.

2 CUSTOM



Meat can only go to an individual or group that purchased the live animal

FAQ

FREQUENTLY ASKED QUESTIONS

**Remember that each scenario is unique. The following FAQs may or may not apply to your scenario. Please work with the PA Department of Ag (PDA) or the Penn State Livestock Extension Team to get your specific questions answered.*

1. What is Custom slaughter?

- Custom slaughter refers to an exemption to the Federal Meat Inspection Act, whereby livestock owners do not have to have their personal livestock harvested at a USDA inspected facility.
- They may utilize a custom slaughter facility that has a PA Dept. of Ag state inspection license.

2. Can I sell meat and meat cuts from my custom slaughtered animal?

- No. Each package of meat must be marked or stamped "Not for Sale".

3. Can I donate meat to a food bank from custom animals?

- No. Meat from livestock harvested under the custom exemption can only be used by the owner/s of the live animal in their home to feed their family and any non-paying guests.

4. How should I invoice if I sell quarters at a custom butcher, and I don't know the butcher fees after the slaughter?

- You can invoice for the live animal prior to the date of slaughter and work with the butcher for the processing fees to be paid direct to the butcher by the individual/s that purchased the animal/s.

5. How can I determine the live weight of the animal?

- For more information of understanding weights of carcasses and yields, visit Penn State Extension at <https://extension.psu.edu/understanding-beef-carcass-yields-and-losses-during-processing>

6. What is the most common mistake you see when people begin selling meat?

- Be sure to educate yourself. Remember you are selling meat retail or wholesale, you must have the products processed under USDA inspection. If you are selling the live animal, you may sell under the custom slaughter exemption. Remember if you are selling meat retail or wholesale, you must have the products processed under USDA inspection.



MEAT MARKETING CHANNELS: WHICH ROUTE WILL YOU TAKE?

DIRECT/RETAIL

If priced correctly, selling directly to the consumer may increase profits above those received in conventional markets. However, it is the most labor intensive and requires the highest degree of marketing skills.

Direct/Retail Marketing includes:

- Farm Store
- Farm Market
- On-line
- Drop-site

Certifications and Programs: Formal way to confirm a claim

Certifications and regional programs are a formal way to confirm claims you make about your farm. They may apply to the entire farm, or specific product or practices. Also may add value to a product and may be required to sell at certain markets..



Here are six essential steps to get your direct-to-consumer meat business up and running:

1. **Know the rules and regulations:** Be sure to understand legal and regulatory requirements. Research food safety standards, labeling laws, licenses and permits. Obtain those required and remain in compliance.
2. **Practice transparency in transactions:** Consumers want to know where their food comes from and how it was raised. Openly communicate your practices and commitment to quality to build trust with consumers.
3. **Marketing your meat:** Establish a brand that resonates with your target audience and highlight what makes your business unique. Utilize quality photos to showcase your product.
4. **Establish an online presence:** Create a user-friendly website that showcases your products, pricing, and ordering information.
5. **Don't overlook in-person sales:** Locations such as a farm market or farmers markets allow customers to meet the farmer while seeing the products. Developing personal connection with the consumer can lead to long-term retention.
6. **Don't settle:** Stay informed about industry trends and customer preferences. Look for new products or package options to keep your customers engaged.

<https://www.farmprogress.com/marketing/7-steps-to-enter-direct-to-consumer-meat-market>

CSA/MEAT BOX

Meat CSA's can be an excellent marketing strategies for farmers. A CSA (community supported agriculture) requires consumers to purchase a share at the beginning of the year, making them invest in your future product. This helps alleviate financial burden for farmers and may be an effective strategy for customer retention.

To start a meat CSA, be sure to consider the following potential challenges:

- Requires extra communication with customers to ensure CSA pick up at designated times. If customer goes on vacation or forgets to pick up the farmer is responsible for continued freezer storage.
- Recipes or use suggestions should be included in CSA boxes and is especially important for lesser known cuts of meat.
- Farmers offering CSA boxes must ensure they will have a large enough quantity of meats to fulfill CSA boxes on a regular basis.

Every meat CSA is unique based on their farm operation and product availability. A meat CSA may be set up to fit the farmers production cycle and may offer weekly, bi-weekly, monthly or seasonal shares to the consumer. Normally CSA programs are set up for a yearly purchase price. Some farmers may choose to offer individual boxes at a higher price point.

[Guide to Direct Marketing Livestock and Poultry \(cornell.edu\)](#)

May be a good way to market lesser utilized, known cuts of meat. Farmer will need to encourage use by supplying cooking instructions and quality recipes.

MEAT MARKETING CHANNELS: WHICH ROUTE WILL YOU TAKE?

BUNDLES/PACKAGES

Meat bundles offer an assortment of cuts at a slight discount to consumers. This can be a great option to move slower moving cuts with highest selling cuts of meat. Highest volume cuts entice the consumer to purchase the bundle and potentially encourages them to also try a cut of meat they haven't utilized before. Some businesses utilize different types of bundles that follow themes, holidays, family sizes, etc. like CSA's, meat bundles offer space for farmer creativity and also allows for the option to include items in addition to meat from the farm.

Meat bundles are an attractive option for online stores and may feel like a more accessible option for consumers unaccustomed to purchasing meat in bulk opposed to freezer trade

Tools for success:

- Include recipes and cooking tips for new or unfamiliar cuts of meat
- Calculate bundle prices to ensure a profit



QUARTERS/HALVES/FREEZER TRADE

Selling meat by the quarter, half, or whole animal may be more profitable for the farmer and more affordable for the consumer. When this method is used, farmers save on labor and marketing costs, as it requires less time and marketing than individual retail meat cuts. A common obstacle found with this sales channel is consumer education. Many consumers are accustomed to purchasing meat by the cut instead of filling the freezer. Tools for success include:

- Educational resources showing the approximate freezer space required to store the meat product the consumer will receive, explanation of live weight vs. carcass weight and weight of product received.
- A clear breakdown of the possible cuts the consumer may choose and walking them through the cutting instruction process.

Some items to consider:

- Freezer trade animals may be processed at a USDA certified or custom facility.
- Need to track all expenses and know how to calculate cost of production to determine profitable freezer trade price points.
- Must understand live weight, carcass weight, and retail yield as well as cut options to assist customers.
- Less time and marketing required for freezer trade than individual retail cut sales.



LICENSING AND LIABILITY INSURANCE

INTRODUCTION TO LICENSING REQUIREMENTS

Licensing requirements to direct market meats depends on the type of operation farmers are engaged in. Food establishments must register with the state and with FDA.

The best option is to contact the regional food safety office overseeing the county the farm or farm business is located in to determine registration and licensing needs. A list of Pennsylvania Food Safety offices and the regions they cover are on the next page.

The following Food Facilities are required to be registered.

- Direct sales on the farm and homestead.
 - Meat/USDA Inspected*
 - Foods under the “Limiting Processing Establishment”
 - Wholesale produce
 - Maple syrup
 - Honey
 - Raw milk sales

- Farmers markets and retail farm markets/stands
 - Selling any food products prepared under the “Limited Processing Establishment.”
 - Preparing and serving freshly made foods onsite will be subject to additional state food code regulations.

*USDA inspected meats sold fresh or frozen off the farm are subject to additional state food code regulations.

Depending on the product additional licenses/registration may also be required. Please contact the farm’s regional food safety office for further information. They are the experts and will help ensure farms have the appropriate license. Compliance is extremely important and well worth it if there should ever be a complaint filed against the farm or meat product.

Many farmers markets and other sales venues will require a copy of licenses to confirm farm businesses are properly registered to sell meat products.

[Starting Your Food Business & Other Resources – PSU Extension | PA Farm Link](#)

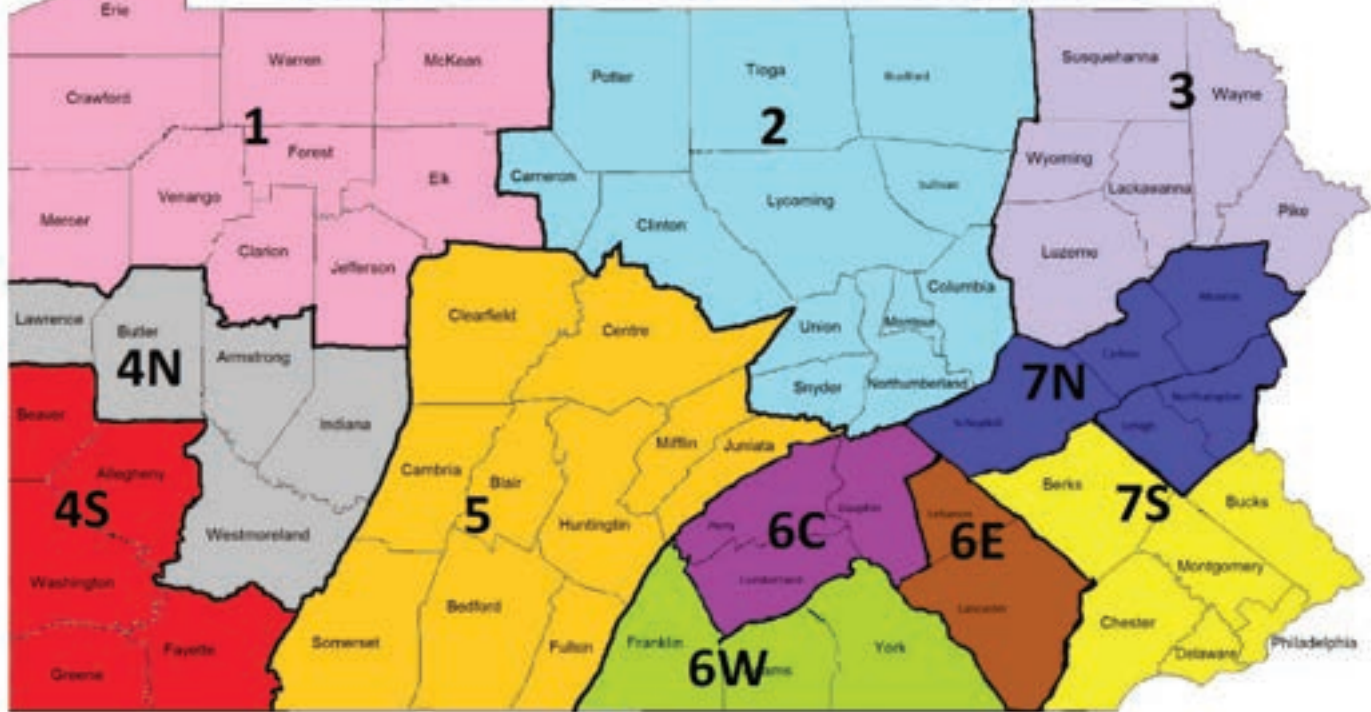
LIABILITY INSURANCE

Proper insurance is paramount in any food business, including direct marketing meats. Liability insurance helps protect farm assets if there is ever a claim or lawsuit. Farmers should ask their insurance agent to help them obtain the correct liability insurance for direct market meats and/or food business.

FOOD SAFETY TERRITORY TEAM ASSIGNMENTS



FOOD SAFETY TERRITORY TEAM ASSIGNMENTS



Territory 1 Supervisor Jill Burnham jjburnham@pa.gov	Territory 2 Supervisor Shane Hartman shahartman@pa.gov	Territory 3 Supervisor Patrice Smith spatrice@pa.gov	Territory 4N Supervisor Robert Delancey rodellancey@pa.gov	Territory 4S Supervisor John Renyck jrenyck@pa.gov	Territory 5 Supervisor Richard Choboy rchoboy@pa.gov
Territory 6W Supervisor Daniel Devine ddevine@pa.gov	Territory 6C Supervisor Raymond Barlow rbarlow@pa.gov	Territory 6E Supervisor Melissa White mwhite@pa.gov	Territory 7S Supervisor Judy Miller judithmif@pa.gov	Territory 7N Supervisor Phillip Keener phkeener@pa.gov	

Bureau of Food Safety and Laboratory Services **Phone** 717-787-4315 **Fax** 717-787-1873 **Email** RA-foodsafety@pa.gov



PRICING RESOURCES

CORNELL MEAT PRICING CALCULATOR

The Cornell Meat Price Calculator is an easy-to-use online tool that allows you to develop pricing for carcasses or cuts. Users enter production, processing, and marketing costs along with the desired profit, working through a “1 typical animal” example from their farm. A separate pricing scheme is recommended for each marketing channel, such as “farmers market” or “restaurant” because each comes with different marketing costs. In the final step for pricing cuts, individual prices can be altered until the target total value (the sum of all costs and profit goals) is reached. When setting prices, users should consider the relative speed at which cuts sell in the respective channel and use prices to moderate sales to more closely match yields.

OTHER MEAT PRICING RESOURCES:

Freezer Beef, Pork, Lamb and Goat Pricing Worksheets – Michigan State University, [Meat Marketing & Processing \(msu.edu\)](https://www.meatmarketingandprocessing.com)
 How Much Should You Charge? Pricing Your Meat Cuts – Brian Moyer, Penn State Extension Education Program Associate [How Much Should You Charge? Pricing Your Meat Cuts \(psu.edu\)](https://www.psu.edu/extension/education-program-associate/brian-moyer)
 Price for Profit – How to Price Your Farm Products - Charlotte Smith, 3Cow Marketing [Price for Profit - how to price your farm products \(charlotttemsmith.com\)](https://www.charlotttemsmith.com)
 The Lambulator: A Cut Yield Calculator For the Lamb Direct Marketer – NCAT.org, ATTRA sustainable agriculture [The Lambulator: A Cut-Yield Calculator for the Lamb Direct Marketer – ATTRA – Sustainable Agriculture \(ncat.org\)](https://www.ncat.org)

[HTTPS://WWW.MEATSUITE.COM/CALCULATOR/](https://www.meatsuite.com/calculator/)

TIP FOR SUCCESS: GATHER YOUR DATA BEFORE YOU START!

- Production
 - Estimate your break-even cost of production, per finished animal
 - Decide on your desired production profit per head
- Processing:
 - Choosing one “typical” animal or batch of animals, weigh all sellable cuts
 - From the processor invoice gather:
 - Hanging weight
 - Kill fee (per head)
 - Additional Processing Charges
- Trucking:
 - Tracking additional costs:
 - Transporting animal to processor
 - Picking up meat from processor
- Meat delivery to customer
- Marketing:
 - Estimate the number of hours marketing time it takes to sell all the meat from one head & the value of that time
 - Decide on your desired marketing profit per head (profit above the value of your time & other marketing costs)
- A list of your current prices in the market channel for which you are testing/setting prices

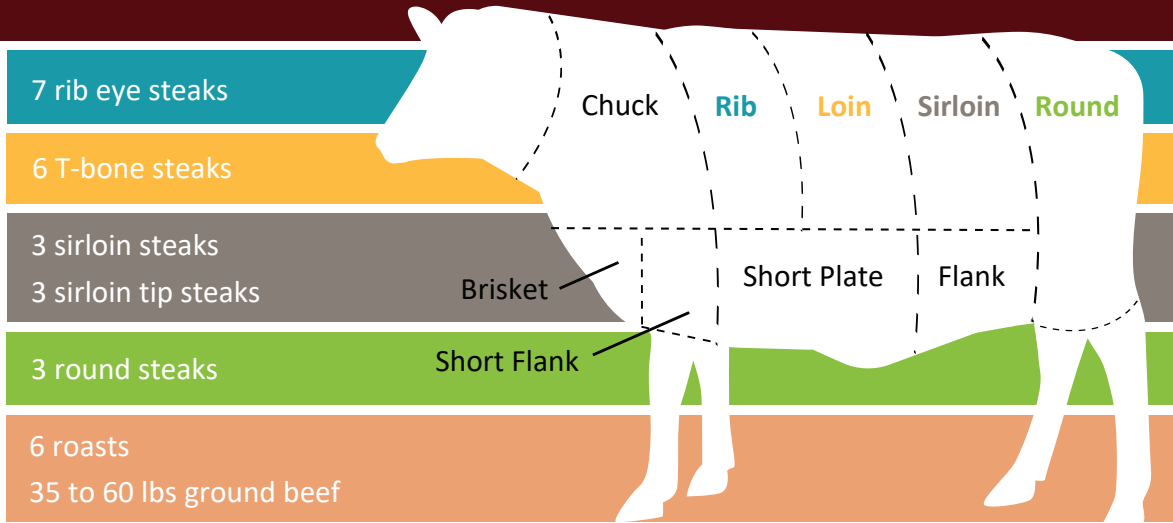
**MAKE A FREE
ACCOUNT TODAY!**



**Cornell
Meat
Price
Calculator**

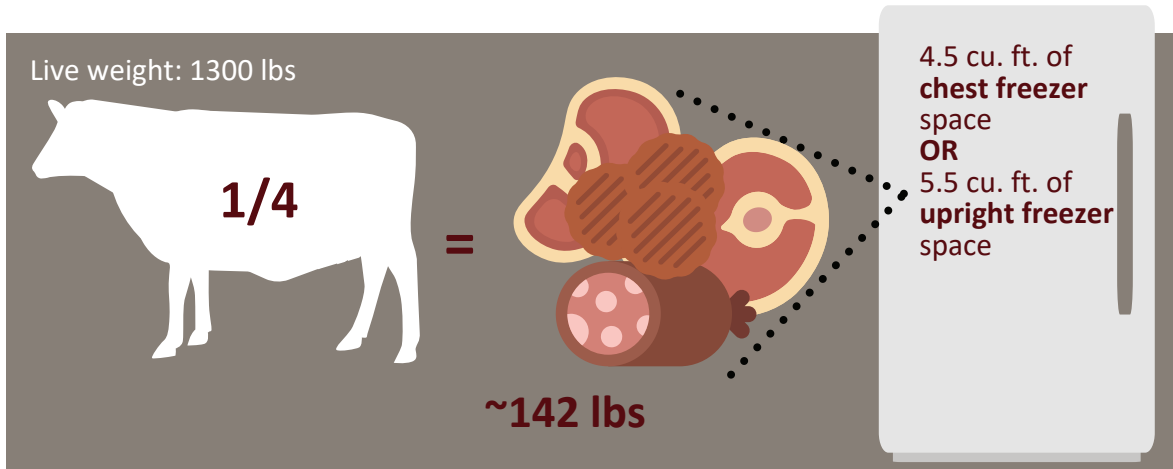
How much meat is a quarter of a beef?

Meat from a typical quarter of a beef with a live weight of **1300 lbs**:



Cuts and quantities of meat will depend on the animal and processor.

How much cooler/freezer space do you need?

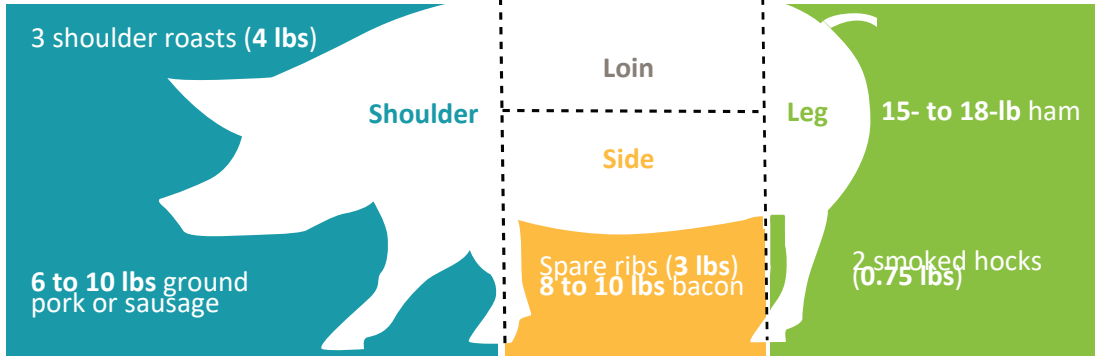


What costs should you expect?



How much meat is half of a hog?

Meat from a typical half a hog with a live weight of **250 to 270 lbs**

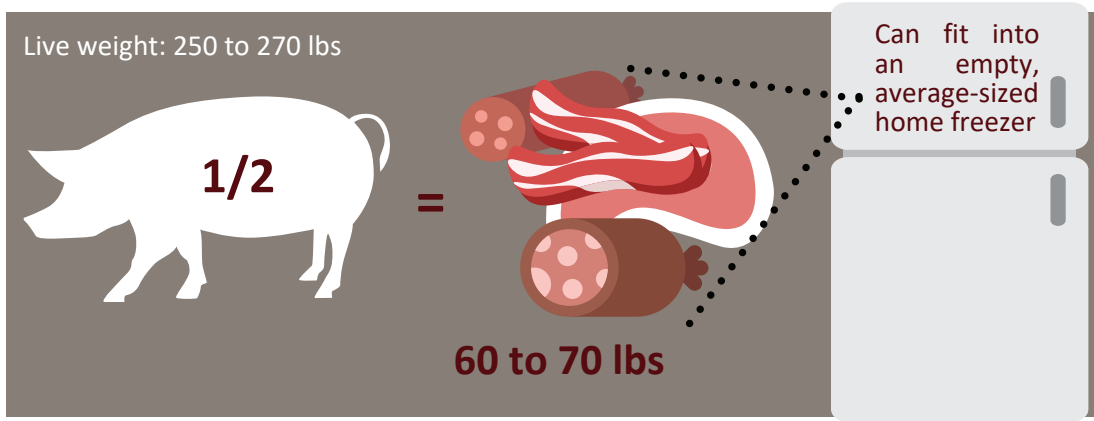


Additional meat may be available including: heart, liver, tongue, fat/lard

Cuts and quantities of meat will depend on the animal and processor.

How much cooler/freezer space do you need?

2.25 cu. ft. can fit about 50 lbs of meat



What costs should you expect?

The cost of the animal is split between two parties



Each party is responsible for individual processing costs



Source: Beef and Pork Whole Animal Meat Buying Guide, Iowa State University



How much meat is a whole lamb?

Meat from a typical market lamb with a live weight of **140 lbs**

8 - 8 oz. shoulder chops

16 - 4 oz. rib chops **OR**

2 - 2 lb. crown roasts

14 - 6 oz. loin chops

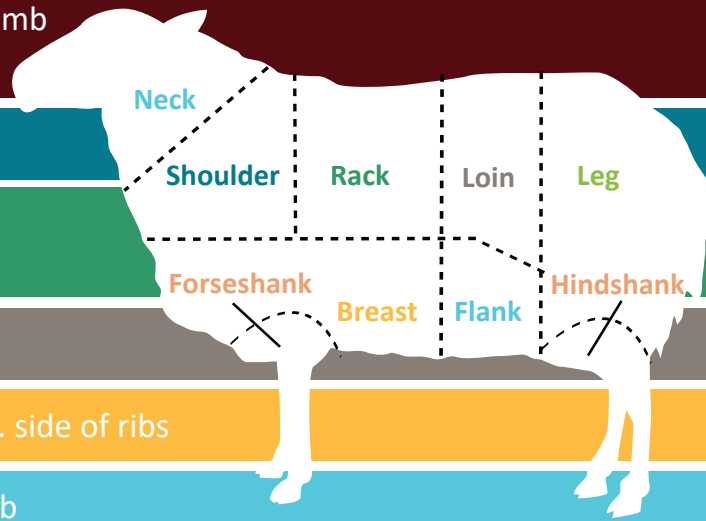
4 - 1 lb. shanks

2 - 2 lb. side of ribs

10 to 12 lbs. of ground lamb

15 lbs. of boneless leg for either kebab/stew, roast, or ground lamb

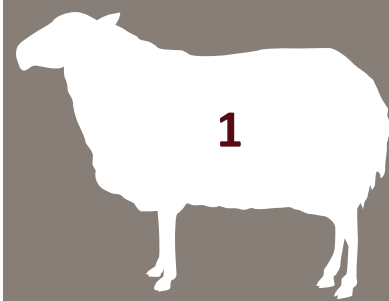
Cuts and quantities of meat will depend on the animal and processor.



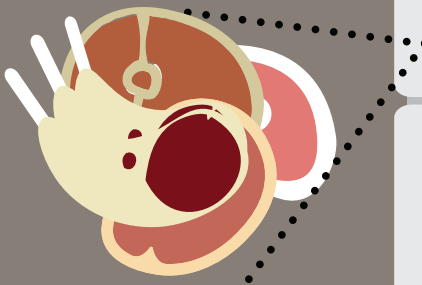
How much cooler/freezer space do you need?

~**2.25 cu. ft.** of freezer space

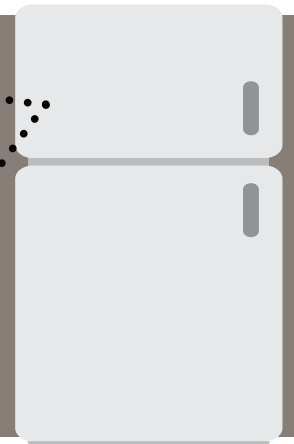
Live weight: 140 lbs



=

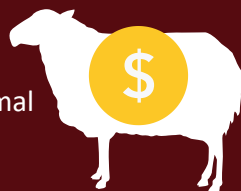


~**47 lbs.** of cuts



What costs should you expect?

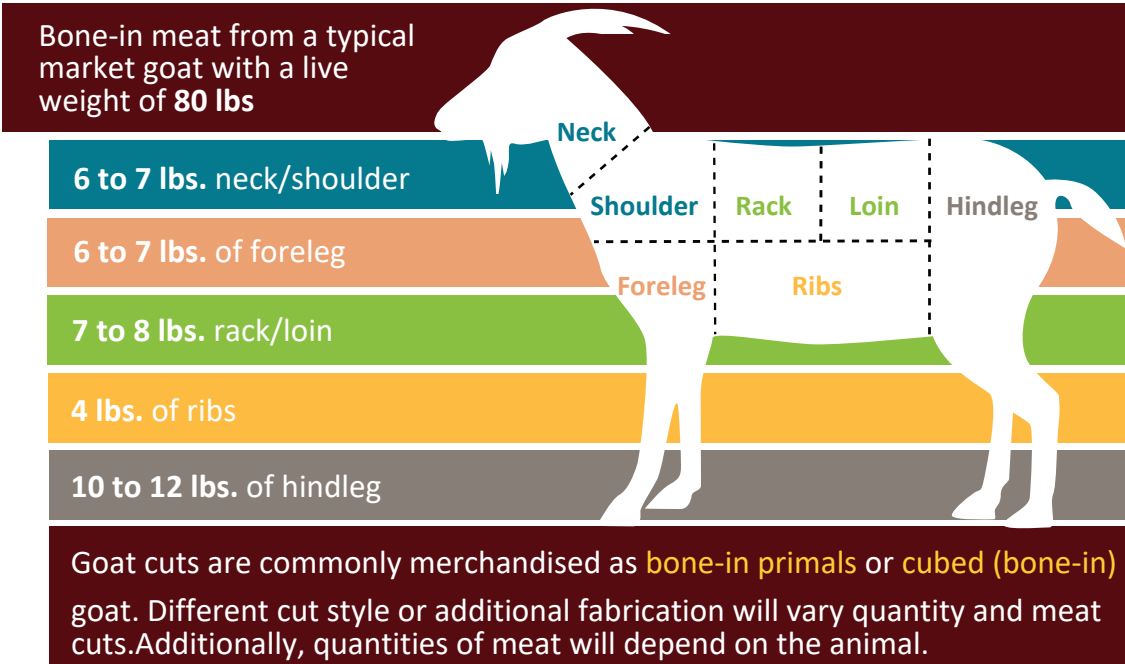
The cost of the animal



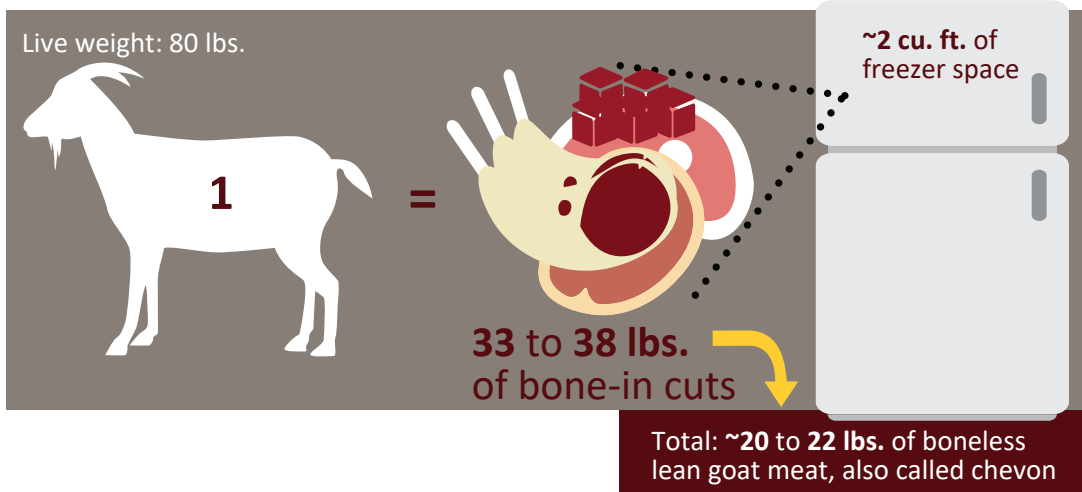
The cost of processing



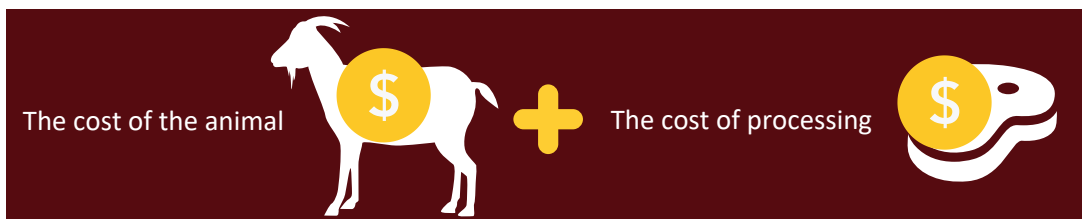
How much meat is a whole goat?



How much cooler/freezer space do you need?



What costs should you expect?



Adapted by Travis Hoffman from McMillin and Pinkerton, 2008; Dugas and McMillin, 2019.



The butcher kept your meat?

by Dr. Christopher R. Raines, Assistant Professor
Department of Dairy & Animal Science
The Pennsylvania State University

No, the butcher probably did not keep your meat. Ever since the first butcher processed a meat animal, the customer has wondered what happened to some of their meat. How could it be that a 1,200 pound steer left you with only 475 pounds of beef? Or that a 250 pound hog generated only 125 pounds of pork? What might seem like a reasonable answer - that the butcher kept your meat - is very unlikely. Take into consideration what happens during the conversion of a market animal into cut and packaged meat, and chances are the math will make more sense. **This brief guide is intended to serve as a general base for meat product return and may not fully account for slight variations that different animals and butcher orders may incur.**

Step 1: Converting an animal into a carcass

Dressing percentage (DP) relates the weight of the carcass to the weight of the live animal and is calculated as: $(\text{Carcass Weight} \div \text{Live Weight}) \times 100$. This can be affected by many things, such as gut fill, fatness, mud on the hide, or shorn versus unshorn. Very fat animals have higher dressing percentages than light very lean animals.



~70%

The average dressing percentage for hogs is about 70-72%.

Example:

Live weight = 245 lbs.
Actual DP = 72%
Carcass wt. = **176 lbs.**



~60%

The average dressing percentage for cattle is about 60-62%.

Example:

Live weight = 1312 lbs.
Actual DP = 60%
Carcass wt. = **787 lbs.**



~50%

The average dressing percentage for sheep is about 50%.

Example:

Live weight = 127 lbs.
Actual DP = 52%
Carcass wt. = **66 lbs.**

Step 2: Making cuts out of a carcass

This is where it starts to get tricky to predict just how much meat the carcass will yield because that depends largely on how you order the meat cut. **Bone-in or boneless?** Opting for boneless cuts will reduce your total pounds of meat returned. **Do you want ground meat with 10% fat or 20% fat?** Lower fat content ground meat will result in more discarded fat, thus reduced total pounds of product received. **Was the animal overly fat to begin with?** If the animal was fat from the start, more fat will need to be trimmed away, thus reducing total pounds of meat returned.

Pork

For bone-in pork, expect no more than 75-80% of the carcass weight back as meat. For boneless, 65-70%.

Example:

Carcass wt. = 176 lbs.
Boneless pork = **123 lbs.**

Beef

For bone-in beef, expect no more than 65-70% of the carcass weight back as meat. For boneless, 55-60%.

Example:

Carcass wt. = 787 lbs.
Boneless beef = **472 lbs.**

Lamb

Most lamb cuts are bone-in. Expect no more than 70-75% of carcass weight back as meat.

Example:

Carcass wt. = 66 lbs.
Lamb cuts = **50 lbs.**

Step 3: Aging and further processing (optional)



The longer a whole carcass ages (hangs), the more moisture it loses due to evaporation, thus losing weight. Instead of aging an entire carcass for > 2 weeks, ask if your butcher is willing to age just the middle meats. aged.



Ordering bacon? Cured hams? Smoked sausages? Applying a heat process to meat cuts will also reduce the total yield of meat returned from an animal. Different products have different yields.

For more reading, see: D.M. Wulf, (1999). *Did the locker plant steal some of my meat?* <http://ars.sdstate.edu/MeatSci/May99-1.htm>

The Pennsylvania State University is an equal opportunity university.
Available in alternative media on request.



Additional Resources

Certifications: <https://farmplanning.ces.ncsu.edu/certifications>

Charlotte Smith Marketing and Mindset Coach for Farmers Charlotte Smith (3cowmarketing.com)

Pennsylvania Ag Mentorship Program PA Ag Mentorship Program | PA Farm Link

Pennsylvania Food Safety Registration Information Retail Food (pa.gov)

Pennsylvania Products & Promotion Support Pennsylvania Farms - PA Preferred

Pennsylvania SBDC Agriculture Consulting Services Agriculture - Pennsylvania SBDC (pasbdc.org)

Starting Your Food Business Learning Module - Starting Your Food Business & Other Resources – PSU Extension | PA Farm Link

USDA Food Safety and Inspection Service Home | Food Safety and Inspection Service (usda.gov)

CONTACT US

PENNSYLVANIA FARM LINK

717-705-2121

FARMLAND@PAFARMLINK.ORG

2301 N. CAMERON ST., HARRISBURG, PA 17110



National Institute of Food and Agriculture

U.S. DEPARTMENT OF AGRICULTURE

THIS MATERIAL IS BASED UPON WORK SUPPORTED BY USDA/NIFA UNDER
AWARD NUMBER 2022-70419-38562.



NORTHEAST
EXTENSION
RISK
MANAGEMENT
EDUCATION