

FARM BRANDED "BOXED BEEF" A new way to sell your own product

You could call this farm-branded boxed beef... One steer. Eight packages. Producer label. PA-Preferred seal. Quality standards. Satisfied customers. Frank Stoltzfus, manager of the seedstock operation and feedlot at Masonic Village in Elizabethtown — along with his fellow MidAtlantic Genetics Shorthorn breeders — have marketed 17 steers this way since early June.

Their product: PA Premium Dry-Aged Beef is sold in 1/8 beef packages with a specific inventory of cuts. It carries the PA-Preferred and PA BQA logos and is sold at the Masonic Village retail market as well as a farmers market in western Pennsylvania, and through a network of consumers by word-of-mouth. An independent qualified grader evaluates quality grade and yield grade; so far all 17 steers made the low Choice 1-2 criteria the group has set for its branded product.

"It's pretty simple. We have only one product to sell and that's a 45-pound box of beef," says Stoltzfus. "We figure we make three times what we would if we were selling our steers live direct.

The most satisfying thing is we are finally getting paid back to us the value we believe our cattle have as beef, and people buying from us get a product they have confidence in."

Consumers are more attracted to manageable bulk beef purchases with cuts they recognize. They also like knowing where their beef comes from and how it was raised and processed.

Developing this alternative to traditional freezer beef sides and quarters took a few months and a lot of checking around. Stoltzfus pitched the idea to five butcher shops before finding a willing partner: Smuckers Quality Meats in nearby Mount Joy. In addition to sides and quarters, Smuckers now offers the 1/8 beef package, which fits in the top freezer of a standard refrigerator.

"When customers buy a side or quarter, they pay for the hanging weight and then wonder: where are all the steaks? So we started processing the 1/8 beef packages as a bundle of specific cuts. This way consumers know: for X amount of dollars, they get X amount of beef," explains company president Jay Smucker. "Frank came up with the idea, and we worked with his group to make it available."

Smuckers wholesales their own barbecues and beef jerky to independent grocers. "That's about 1/4 of our business," confirms Jay's son Mike. "Our main business is to be the processor between the producer and the consumer — not to market the beef products, but rather our services." The family-run business is a USDA-inspected beef slaughter, fabricating, and processing plant, which includes vacuum packaging and flash-freezing.

"Because the plant operates under federal inspection, beef that is processed here can be sold anywhere in the country," notes Jay Wenter, Ph.D., director of science and technology for the American Assoc. of Meat Processors, based in Elizabethtown. Wenter provided technical assistance to help them prepare their HACCP plans for federal inspection in 2004.

"Consumers can be intimidated by meat," the Smuckers observe. "They want beef items they are familiar with and have confidence in their ability to prepare. **The new value cuts (flat irons and ranch steaks) help sell the 1/8's because they add more steaks to the cutting options, and consumers like that."**

"It's pretty much ideal for a family of four," says Stoltzfus. "Some larger steaks for the adults, smaller ones for the children, roasts, stew beef, chip steak for sandwiches, hamburger, and patties."



Founded in 1965, Smuckers Quality Meats relocated from Manheim to Mount Joy in 2003. Jay Smucker (right) grew up in the meat business when his dad had the shop, and now his sons are involved in the new shop. Mike (left) is director of food safety and Jason (center) is production manager. As the business grows, they are all involved together in all aspects from the kill floor, which operates one day per week (10-15 head), to the cutting table. In addition to freezer beef and the new 1/8 beef packages, they process purchased USDA-inspected beef primals, pork, and turkey to make wholesale barbecue and jerky products. They can be contacted at 717-653-0303.

Since March, the Smuckers have worked with about a dozen producers who are interested in marketing some beef this way. Some are in the process of lining up customers, others sell from farm markets or small retail stores.

"We hear it all the time, people know good cattle are raised here, yet in the supermarket they find mainly western beef," Jay notes. "Consumers want to know where to buy good local beef, and the variety of cuts in the 45-pound box is attractive to them."

A cost/return worksheet is available for producers who are interested in community sales. It begins by assigning a value of 90 cents per pound liveweight to a 1200-lb steer. The worksheet prices each 1/8 at a flat price of \$200 x 8 per steer = \$1600. Producers decide on the package price based on how the beef is raised and processed. Some producers will price the 1/8 at \$250-\$275 if, for example, they operate a special feeding program without implants, or add value by aging the beef.

The consumer gets 45 pounds of beef in a box, which contains an assortment of steaks, roasts, value cuts, and no more than 45% as hamburger and/or patties. After processing fees are paid, each steer sold at \$200 per 1/8 nets a potential \$137 per head ABOVE the 90 cents per pound (liveweight) starting value.

"If a producer made a profit at 90 cents and sells 10 steers this way, he is now making another \$1300-1400 over and above that," Jay explains.

What makes this work is all eight packages from one whole beef carcass must be cut the same way for an equal distribution. This way there are no inventory problems to deal with. Each beef side is cut in multiples of 4. The package is a minimum so some carcasses may yield a few extra cuts, which the producer can use for his own family or as samples to generate new customers.

The Smuckers are passionate about meat. It's in their blood. "Educating consumers is a big part of this and something we really enjoy," says Mike. "Instead of retailing, we're interested in helping cattlemen develop consumer markets for their beef."

"Some of what sustains us is the niche-market feeding programs," Jay adds. "Those producers need someone like us. If they raise the beef differently for that niche market, then they need to be able to get the premium they deserve."

TRENDS

100+ beef producers attend AB's workshop at Smucker's Quality Meats



New cuts bring new markets... adding value for producers and consumers



Discovery of new value cuts has added an average of \$60 to the value of today's beef carcasses. "That's \$60 (per head) in the pocket we didn't have before," said Paul Slayton, executive director of the Pennsylvania Beef Council. Over the past few years, the #1 goal of checkoff-funded research is finding ways to add value to the chuck and round for a better net return to beef producers. Muscle profiling has identified several new value cuts from the chuck, including the "flat iron" and "ranch steaks."

On August 3, more than 100 producers got an inside look at how these cuts are revolutionizing the way beef is fabricated (cut) and marketed to consumers. AB's "evening in the meat plant" was held at Smucker's Quality Meats in Mount Joy, where producers saw a shoulder clod cutting demonstration revealing the popular new cuts. Attendees also enjoyed a special meal and learned about new direct marketing ideas from the Smucker family; were updated on the complexities of federal inspection by Jay Wenter, Ph.D. from the American Association of Meat Processors; and participated in a carcass grading event led by livestock extension educator Chet Hughes.

"Today's consumers don't want the big roasts of the past with all the leftovers. They want smaller pieces," said Carrie Bomgardner, PA Beef Council director of retail and foodservice promotions. "It used to be that the only steak in the front quarter was the ribeye. Just look at the value these new steak cuts have added. The restaurant trade has added even more value by promoting them." She discussed the new beef steaks while Mike Smucker demonstrated how they are cut.

"Seaming" the shoulder removes layers to get to the flat iron: a single muscle cut within the top blade. The trick is to remove the mass of sinew that runs down the middle, where several muscles in the shoulder converge. This "gristle" is a turnoff to consumers who shy away from traditional shoulder cuts like bolar roasts and petite or chicken steaks.

The flat iron can be prepared as one whole piece or cut into individual-serving-sized "steaks." It is less expensive than a tenderloin, but quite nearly as tender. When grilled, it plumps up with juices like a hot dog. Ranch steaks are also becoming popular with consumers. While not quite as tender as the flat iron, they are quite flavorful: typically marinated, then grilled.

During the cutting demonstration, observers wondered how long it took Mike to learn the technique. "I had to learn on the fly because everyone is asking for them," he said, explaining

that it only takes a minute or two to seam-out the flat iron. "We've been cutting retail beef for many years and this was an area we used to take out for grinding. Technique and a sharp knife are important because you are cutting 'blind' on this one."

For the ranch steaks: sinew is cut from the outside leaving a piece that is then sliced into steaks. "The shoulder is the only piece where you can get away with cutting in two opposite directions," Mike explained. "You can't 'seam' a ribeye."

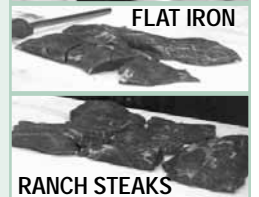


FATHER AND SONS TEAM GIVE CATTLE FEEDERS AN INSIDE LOOK AT NEW TRENDS IN BEEF CUTTING AND MARKETING...

ABOVE: Mike Smucker (left) demonstrates the intricate method of cutting popular new single-muscle value cuts, like the tender flat iron and flavorful ranch steaks from the beef shoulder clod. This area was traditionally fabricated into bolar roasts, petite or chicken steaks, and hamburger. Mike's father Jay (right) talks about direct marketing opportunities in selling 1/8 beef packages as an alternative to traditional quarters and sides, which producers can do through the family's federally inspected plant in Mount Joy, Pa.



FLAT IRON



RANCH STEAKS



LEFT: Carrie Bomgardner (PA Beef Council) discussed the new shoulder cuts discovered through checkoff-funded research. She provided literature and videos and took information from producers who were interested in learning more about marketing their PA beef to consumers.

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Writer and Editor: Sherry A. Bunting