



Profitable Meat Marketing Through Pricing & Strategy Education

Livestock producers in the Northeast are small by definition and utilize both commodity and value-added marketing channels. Commodity market prices for livestock are volatile and often too low for small farms to profit. Northeastern farms utilize “value-added” channels such as farmers’ markets, freezer trade, and restaurant sales in an attempt to increase profits per head.

Farmers seeking to maximize profit can choose from multiple channels, however without channel-specific record-keeping of costs and receipts, channel selection is confusing. Channels involving sales of individual meat cuts at high prices create the perception of high profit; however, farmers may actually experience low profits or losses when labor costs are calculated. Failure to account for all marketing costs leads to poor product pricing.

A team led by **Matthew LeRoux** of **Cornell Cooperative Extension** developed a risk management education project that addressed the marketing and financial risks faced by many Northeast livestock producers struggling with profitable market channels and appropriate

pricing. The team taught livestock producers in **New York** and **Pennsylvania** to use both marketing strategy and the online “Cornell Meat Price & Yield Calculator” to manage the risks of commodity and value-added channels.

Through four articles published in Cornell’s Small Farms Quarterly, 13 in-person workshops (6 in NY and 7 in PA), and the online Calculator, the project reached thousands of producers. Workshop participants learned to manage livestock marketing risks, primarily marketing channel selection, price risk, meat-cut inventory management, and marketing cost accounting. The risk management education focused on three complementary topics: 1) Marketing strategy and objective development; 2) Understanding channel-specific costs and; 3) using the online Calculator to ensure profit through channel pricing. Representatives from 190 farms (often 2 per farm) attended the workshops, and 80% of them reported that they planned to adopt new marketing techniques. At the project’s conclusion there had already been 1,233 uses of the Calculator tool, including a mother-daughter farm team from North Carolina who reached out to the educators. They indicated that the Calculator had enabled them to price for profit and stay in the livestock business, and that a group of farmers near them were also utilizing the tool with similar results.



“I was in a rut on our marketing plan and am now super excited to create a new plan! Also, the price calculator for cuts is exactly what we needed. This will take years of trial and error away.”

- New York Farmer





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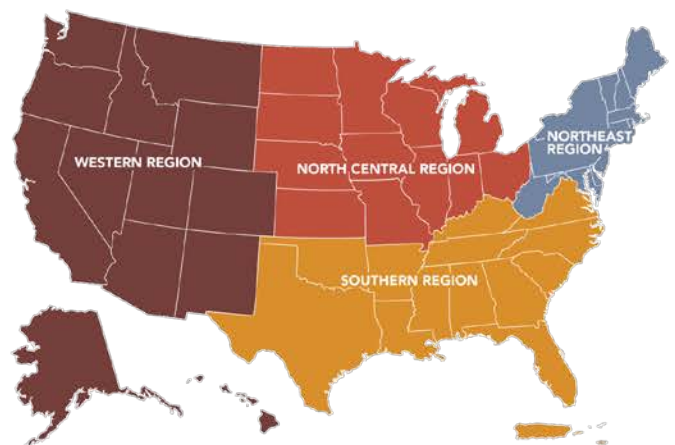
National Institute
of Food and
Agriculture

“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. ERME is committed to funding results, providing transparent accountability, and encouraging collaboration. View the accomplishments of all funded projects on our website.
<http://ExtensionRME.org>



ERME REGIONAL CENTERS



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