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Tips for bulk meat buying

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no. 8.701

Quick Facts

Taking advantage of savings by buying meat in bulk requires an understanding of factors that influence meat value and knowledge of "hidden costs."

A common misconception about live purchasing is that the live price translates directly into a meat cost; this is not true.

There are costs associated with slaughtering, with waste and trim removal, further processing, wrapping, curing and smoking (if necessary).

The costs for comparing live purchases to retail purchases should be based on all processing costs and reductions in weight due to processing. Storage charges also should be included.

Bulk meat purchases may, at times, provide consumers with substantial savings. Frequently, meat will be advertised at very attractive prices based on bulk purchasing. However, taking advantage of these potential savings requires an understanding of factors that influence meat value and knowledge of "hidden costs" that can escalate the seemingly low prices.

Purchasing Livestock for Slaughter

Many consumers attempt to reduce their expenditures for meat by purchasing live market animals and having them custom slaughtered and processed. The decision to purchase meat on a live basis often is an attempt to avoid the "middleman" and the notorious markups at the retail level. Under certain market conditions, purchasing on a live basis indeed may avoid unnecessary expenses due to retail markups; however, this is not always the case. Before making the decision to purchase a live animal for slaughter the buyer should compare costs.

A common misconception about live purchasing is that the live price translates directly into a meat cost. This is untrue. First, there is a cost for having the animal slaughtered. Most custom slaughters will charge a small fee plus the "drop"

(items such as the hide, viscera, head, etc. that may be sold to defray the costs of slaughter).

Secondly, transforming the live animal into a carcass reduces the weight of the purchase due to removal of blood, hide/hair, shanks, head, viscera and any trim due to bruises, grubs, etc. In beef cattle, the slaughter process usually reduces the weight to about 60% of the original purchase weight. In other words, a 1,000-pound beef steer usually would yield a carcass weighing about 600 pounds.

The weight of the carcass in relation to live weight is called the *dressing percentage* (dressing percentage = carcass weight ÷ live weight x 100). As indicated, the dressing percentage for beef cattle averages about 60%. For sheep and swine, dressing percentages are usually about 50% and 70%, respectively. Normal ranges and averages of dressing percentages for various grades of market animals are provided in Table 1.

Table 1: Dressing percentages of various kinds of livestock by grades.*

Grade	Range	Average
Cattle		
Prime	62-67	64
Choice	59-65	62
Good	58-62	60
Standard	55-60	57
Lambs (wooled)		
Prime	49-55	52
Choice	47-52	50
Good	45-49	47
Utility	43-47	45
Cull	40-45	42
Barrows & gilts**		
U.S. No. 1	68-72	70
U.S. No. 2	69-73	71
U.S. No. 3	70-74	72
U.S. No. 4	71-75	73
Utility	67-71	69

Source: United States Department of Agriculture, Consumer and Marketing Service, Livestock Division.

*All percentages are based on hot weights.

**Based on packer style dressing (ham facings, leaf fat, kidneys and head removed).

¹Keith Belk, CSU graduate research assistant; J. Daryl Tatum, CSU assistant professor, both department of animal sciences (4/1/84)

In some cases, it is possible to purchase livestock from a producer on a carcass weight basis—the purchaser pays for carcass weight. Under these circumstances the dressing percentage of the animal would be unimportant to the buyer.

Once the animal has been transformed into a carcass, the purchaser still faces additional costs. A third cost item is the charge for further processing. In the case of beef and lamb carcasses, further processing would entail fabrication of the carcass into retail cuts, followed by wrapping the cuts for subsequent freezer storage. Most processors will fabricate the carcass according to the customers specifications. Charges for cutting and wrapping usually are assessed on a per-pound basis using

the hanging weight (weight of the carcass prior to fabrication).

For example, a processor might charge 20 cents per pound for processing a 600-pound beef carcass; the total charge for cutting and wrapping would be \$120. In the case of swine, further processing normally not only includes cutting and wrapping, but also the curing and smoking of certain cuts such as the hams and the belly (for bacon). Many processors assess additional charges for curing and smoking.

It also is important to note that during further processing of the carcass additional weight is lost due to trimming of excess fat and removal of bones from certain cuts (depending upon the method of fabrication). Typical cutting yields for

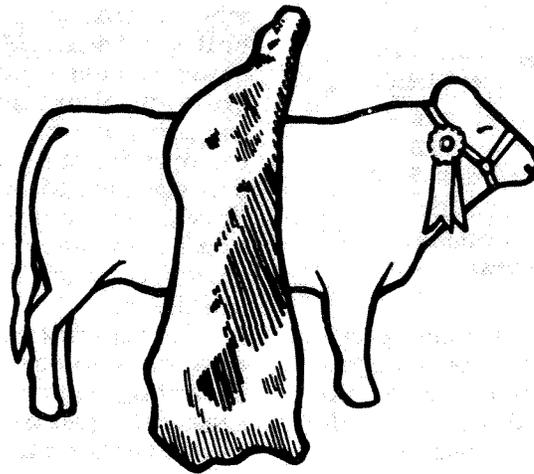


Table 2: Comparison of yields of retail cuts for beef carcasses of different yield grades.^a

Retail cut (%)	USDA Yield Grade				
	1	2	3	4	5
Rump, boneless	3.7	3.5	3.3	3.1	2.9
Inside round	4.9	4.5	4.1	3.7	3.3
Outside round	4.8	4.6	4.4	4.2	4.0
Round tip	2.7	2.6	2.5	2.4	2.3
Sirloin, boneless	4.8	4.5	4.2	3.9	3.6
Short loin ^b	5.3	5.2	5.1	5.0	4.9
Blade cut ^b	9.9	9.4	8.9	8.4	7.9
Rib, short cub ^b	6.3	6.2	6.1	6.0	5.9
Arm chuck, boneless	6.4	6.1	5.8	5.5	5.2
Brisket, boneless	2.5	2.3	2.1	1.9	1.7
Flank steak	0.5	0.5	0.5	0.5	0.5
Lean trim	14.9	13.8	12.7	11.6	10.5
Ground beef	13.3	12.2	11.1	10.0	8.9
Kidney	0.3	0.3	0.3	0.3	0.3
Fat trim	8.1	13.3	18.5	23.7	28.9
Bone trim	11.6	11.0	10.4	9.8	9.2

Summary

Item	USDA Yield Grade				
	1	2	3	4	5
% Steaks and roasts ^c	51.8	49.4	47.3	44.9	42.5
% Ground beef	28.2	26.0	23.8	21.6	19.4
% Fat trim	8.1	13.3	18.5	23.7	28.9
% Bone trim	11.6	11.0	10.4	9.8	9.2

^aInformation taken from USDA Market News Summary and Statistics.

^bBone-in cuts.

^cPercentages of steaks versus roasts will vary according to fabrication method; percentages from the above table can be added to calculate these percentages according to the desired fabrication method.

beef, lamb and pork carcasses are provided in Table 2, 3 and 4.

Based on these figures, if a consumer purchased a 1,000-pound, yield grade 3 steer he/she could expect about 283 pounds of steaks and roasts and approximately 143 pounds of ground beef. Although these figures will vary depending upon the cutting method selected by the purchaser, the point is very clear—the customer should not expect 1,000 pounds of edible product from a 1,000-pound beef animal. Moreover, the costs for comparing live purchases to retail purchases at the supermarket should be based on all processing costs and reductions in weight due to processing. Furthermore, any storage charges (locker box fees) also should be included.

Table 3: Pork carcass yields.

Grade	% Yield ^a	% Yield ^b
US #1	83.5	74.5
US #2	78.5	70.3
US #3	73.5	65.8
US #4	68.5	61.2

^aBone-in ham, loin, Boston butt and picnic shoulder.

^bBoneless with the exception of spareribs.

Another consideration when purchasing on a live basis is where the animal(s) will be slaughtered and processed. It is recommended that animals be slaughtered at a reputable slaughter facility under the supervision of federal meat inspectors. Federally inspected slaughter plants must adhere to USDA regulations for slaughter and

processing. The purpose of federal meat inspection is to ensure that meat products have been handled under sanitary and wholesome conditions. Federally inspected facilities have an individual USDA inspection insignia that is applied to all products to certify their wholesomeness. The inspection insignia has a number identifying the slaughter or processing firm.

Purchasing Carcasses and Wholesale Cuts

Another alternative to purchasing meat at the retail counter is the purchase of carcasses or wholesale meat cuts. Traditionally, such purchases were made at the slaughter plant. However, the meat industry during the past few years has witnessed an increase in the number of operators who do not slaughter animals, but specialize in bulk meat sales. Meat businesses of this type purchase carcasses and wholesale cuts from slaughterers and offer them at wholesale prices plus a fee for processing. Here again, there are potential savings for the consumer, but not under all circumstances. In order to bargain effectively, the purchaser must have a general understanding of factors influencing meat value and, above all, carefully study the conditions and terms of the purchase.

A major factor influencing the value of a carcass or wholesale cut is *grade*. USDA offers a voluntary service for describing carcasses and meat cuts relative to their market value. These market descriptions (grades) frequently are used in meat trading at the wholesale level. Grades are used to describe carcasses in terms of quality

Table 4: Comparison of yields of retail cuts for lamb carcasses of different yield grades.

Retail cut (%)	USDA Yield Grade				
	1	2	3	4	5
Leg, short cut	23.6	22.2	20.8	19.4	18.0
Sirloin	6.7	6.4	6.1	5.8	5.5
Short loin	10.4	10.1	9.8	9.5	9.2
Rack	8.1	7.9	7.7	7.5	7.3
Shoulder	24.9	23.8	22.7	21.6	20.5
Neck	2.2	2.1	2.0	1.9	1.8
Breast	9.8	9.8	9.8	9.8	9.8
Foreshank	3.5	3.4	3.3	3.2	3.1
Flank	2.3	2.3	2.3	2.3	2.3
Kidney	0.5	0.5	0.5	0.5	0.5
Fat trim	4.6	8.2	11.8	15.4	19.0
Bone trim	3.4	3.3	3.2	3.1	3.0
Total salable retail cuts ^a	91.5	88.0	84.5	81.0	77.5

^aBone-in primals.

(expected eating quality) and yield (expected yields of salable retail cuts). When buying carcasses or wholesale cuts the purchaser should be aware of their current market value based on grade. Price information is available from numerous market news reporting agencies, including USDA.

The most critical value determining aspect of grade, directly concerning the purchaser, is *yield grade*. Table 2, Table 3 and Table 4 show the differences in yields of retail cuts corresponding to differences in yield grade. The reason these yields are important is because the prices quoted for carcasses or wholesale meat cuts are based on hanging weights (weights before fabrication). It was pointed out previously that during fabrication, some of the weight of the purchase will be lost due to fat trim and bone removal.

The yield grade is an indicator of how much fat trim will be incurred. Consumers who are not familiar with these facts frequently are deluded into believing they have received a bargain by purchasing a relatively fat carcass at a comparatively low price per pound. However, the excessive fat trim invariably will escalate the cost of the purchase when value is expressed per pound of trimmed retail cuts.

Perhaps the most important advice to a person interested in making a bulk meat purchase is

to carefully study the conditions and terms of the purchase. Some points to consider are:

- Prices usually are based on hanging weight. Although the prices may seem low compared to supermarket prices, remember that the cutting losses will escalate them.

- Additional charges for cutting and wrapping normally are assessed. Make sure that these charges have been considered.

- Fabrication methods usually are specified by the customer. Discuss these with the salesperson and get an idea of how it will influence retail cut yields.

- Carcasses and cuts usually are advertised by grade. Make sure the actual yield of retail cuts corresponds fairly closely to the expected yield for that grade.

- Many advertisements include a "fine-print" line. For example, a common statement in ads for beef is that the purchase includes "extra plates." The "plate" is a low value cut of beef that adds weight to the purchase, but dilutes its value. Be sure to check for such "gimmicks."

- Many meat businesses offer deferred payments and credit purchases. Be sure to check interest rates on such purchases before accepting the terms.