Mitchell Family Farm

Introduction

John Mitchell sold his last milk cows in 2012, a final step in a long transition from dairying. Mitchell Family Farm near Blaine in Grainger County, Tennessee now sells beef from dairy steers direct to consumers at farmers markets in Knoxville and to two Knoxville grocery stores. In 2013, the farm gained another, larger wholesale account with a Knoxville restaurant, supplying about 800 pounds of ground beef per week. John and Lorie Mitchell and their family continue to focus on building the market for their beef at farmers markets and to restaurants and grocery stores.

Lessons Learned at the Farmer Market

Mitchell Family Farm started direct marketing beef, finished on the farm’s grain, at local farmers markets. The farm sold about 15 head in 2008, the first year at the market. That number reached 20 head in 2012. To move that amount, the Mitchells sold at as many as three farmers markets. “That was when we were still milking cows, and I had to cut back [on the number of farmers markets they attended],” said John. He only attended one farmers market in 2013, the New Harvest Park Market in East Knoxville. That market is about 20 miles from the farm, the nearest of the Knoxville markets.
From that experience, John learned that a farmer has to be able to take time away from the farm or be able to hire someone to represent the farm at the market. Now that he does not have to milk cows, John may consider taking on a second market after 2013. If he does, he will remember another lesson learned – patience is a virtue to becoming an established farmers market vendor. “When you start going to a farmers market, people kind of get to know you. The first year’s kind of a feeling-out year for the customers,” said John. “Our sales [at their current market] have more than doubled since the first year,” he said.

Profitability is a main reason he has continued to sell at the farmers market, even while volume in other outlets for his meat has increased. John feels that profitability results from a higher price point received at the farmers market relative to wholesale prices. “We priced ours at half of what [two online steak companies] priced theirs for, and wondered if we could ever sell any at that price,” he said. “And so far, it’s done pretty well.” At the time of publication, they retailed New York strips, ribeyes and filets at $13, $15, and $17 per pound, respectively; ground beef retails for $4.50 per pound. They sold around 20 pounds of hamburger and a couple dozen steaks per week.

The other factor affecting profitability for the Mitchells is that they raise nearly all the feed provided to finish the steers. “If you can eliminate one or two of the middlemen, that gives you a bigger slice of the pie. And raising my own corn really helps,” said John, who figured he grew corn far more cheaply than purchase prices in 2012 and early 2013. The dairy steers eat ground, whole-cob corn with a bit of added protein, which produces a ration reaching about 12 percent crude protein.

Understanding the Value of Wholesale Markets

Mitchell Family Farm has supplied squirrel corn (packaged ear corn to feed squirrels) to Knoxville area grocery stores for years. The relationship John had with one of those stores helped him land the farm’s first wholesale beef account.
“I asked the manager [who was carrying their squirrel corn] if they would be interested in our beef, and they were,” he said.

Although the wholesale price received is significantly less than the retail price, John saw it was still worthwhile to pursue that market because of the volume of product that could be sold. He did not make as much per pound, but he could deliver far more product with far less time involved, reducing marketing costs compared to the farmers market.

The availability of Mitchell Family Farm’s beef in the Knoxville grocery market helped open the door to selling direct to a restaurant, which now buys 800 pounds of hamburger per week. “It has taken us from one steer every three or four weeks [supplying the farmers market and grocery stores], to two steers per week,” said John. The quality of the hamburger, which uses all cuts except the loin, is what attracted the restaurant to their farm’s beef, he said.

Looking Ahead

Since he sold his milk cow herd, John has relied even more on sourcing steers from two graded dairy steer sales in Athens and Sweetwater. He buys steers for finishing at 1,000 pounds, feeding them up to 1,500. “So far we’ve had good luck getting all the big steers we need to finish,” he said. He also backgrounds a couple trailer loads of dairy steers per year. He kept some backgrounded steers for the finishing program in 2013. Feeding his own corn means he is able to expand the number of cattle fed, if needed.

In addition to adding a second farmers market in 2014, John Mitchell said he might consider more wholesale production for his “whole-steer” ground beef for outlets in the Knoxville area. “I have the corn, and we’ve learned what we need to do to finish more cattle,” he said. It is the latest way that this former dairymen is transitioning to value-added production. “We’ve always tried to diversify. We had to contend with the ups and downs of dairying forever,” he said. Adding value to beef from dairy steers has seemed to smooth out those ups and downs.
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