Dwight and Charli Vaughan

Introduction

Dwight Vaughan has raised cattle all his life near Murfreesboro in Rutherford County, Tennessee. He took over his dad’s small Polled Hereford herd in 2004, and today, he and wife Charli have a herd of about 20 cows, most of which are registered Polled Herefords. In 2006, Dwight and Charli began selling some animals to neighbors for custom-exempt processing.

Custom-exempt processing can only be done for the owner of the animal, and the meat produced cannot be sold. At times, a customer would be interested in purchasing a half interest in an animal, but there was not a customer to purchase the other half. The Vaughans would either have to forgo the sale or sell a half interest in the animal and have the other half processed for their own use. To help solve this problem, Dwight and Charli began selling some animals to neighbors for custom-exempt processing.

The Vaughans received their Tennessee Retail Meat Sales Permit from the Tennessee Department of Agriculture (TDA) Regulatory Services* in November 2011 and began retailing beef in December of that year. In 2013, Dwight and Charli sold beef from eight cattle, making most of the sales from the farm on Friday and Saturday.

This publication is one of a special series highlighting the experiences of Tennessee value-added beef producers in the start-up and operation of their enterprises. The entrepreneurs have generously shared their stories and lessons learned in order to help other producers better understand the challenges, risks and opportunities that exist in this industry. We hope that these stories will be educational and informative.

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The On-Farm Facility

As part of the Retail Meat Sales permitting process, Tennessee beef producers must meet certain equipment and facility standards to be able to transport, store and sell beef from the farm. In 2011, Dwight Vaughan totally renovated a small wooden building on their farm for that purpose. “I asked TDA [Tennessee Department of Agriculture Regulatory Services] to come out and tell me what I needed just to put two freezers in,” he said. “We basically gutted the whole building and started from scratch.”

Dwight learned that, in Tennessee, buildings where beef is stored for retail sale from the farm must meet several criteria. Facilities, equipment and processes are designed to prevent possible contamination. “It needed to have a concrete [or other smooth, easily cleanable surface] floor,” he said. Procedures must be in place to reduce or eliminate pests and rodents. TDA also recommends that the building be locked. This can help protect and secure the product from potential tampering or theft.

The building also needed to be wired to supply electricity for the freezers holding beef. The Vaughans have two freezers in their building, planning to add a third in 2014. Each freezer must have a thermometer to verify storage temperature. The Vaughans also put a porch light on the outside of the building, which is left on at all times. The light allows them to easily confirm that there is power to the freezers inside.

Once the building, equipment and processes used for storage and transport of the product pass initial inspection, a Retail Meat Sales Permit may be granted. The permit guidelines also require the animals to be processed under USDA inspection, then packaged and labeled at that USDA-inspected facility. The Vaughans’ beef is processed at a USDA-inspected facility about 25 miles away, and is properly labeled for retail sale, including safe-handling instructions.

TDA also requires a $50 fee for permitting. The Vaughans display copies of the inspection report and the permit to retail beef in the building, where their meat sales occur. The permit
must be renewed annually, and TDA inspectors can inspect the operation as often as they want. Establishing the relationship with the TDA inspector, said Dwight, was helpful as they decide whether to expand their value-added beef business to selling at a farmers market. “I will need to add another (portable) freezer, and that will also have to be inspected,” he said.

**Product Sale and Handling**

Word of the Vaughans’ beef sales spread through their community without advertising, except for a few signs pointing the way to the farm. Sales are by appointment. “The people just call me, usually on Saturdays and Sundays, and I make sure somebody’s here,” said Dwight. Customers usually buy enough beef for about a month, he said.

Steaks and roasts are most popular with the Vaughans’ customers. Ground beef sells less frequently but in larger quantities, and 90/10 (90 percent lean and 10 percent fat) ground beef sells better than 80/20. The only significant product change made in two years, said Dwight, was adding ground beef patties. He has also settled on having the processor cut steaks to 1-inch thick, except for filets, which are cut at a 1¾-inch thickness. For a while he tried to have steaks cut at different thickness to please the desires of different customers, but found that to be a lot of extra work for himself and the processor. The 1-inch thickness works well for them, according to Dwight.

Dwight sets prices for his product by checking other local value-added beef marketers, setting a price between those prices and the grocery store. The steers receive some grain for the 90 days of feeding and, despite higher grain prices in 2013, Dwight held his retail beef prices steady. He expected to raise his beef prices if the price of fed cattle rises in the future.

The Vaughans still sell some live animals for custom exempt processing to customers as well. “For those, we charge 40 cents more than the local [live cattle] market,” Dwight said.

**Future Plans**

Since they started value-added beef marketing, the Vaughans have increased their cattle herd to about 40 animals, including cows, calves and animals being finished at any one time. They plan to market two days per week at the Rutherford County Farmers Market in Murfreesboro in the near future. This will require the purchase and inspection of some additional equipment, including a portable freezer setup.

*In December 2013, the name of the TDA Regulatory Services Division was changed to the Consumer and Industry Services Division.*
Learn more about the Tennessee Value-Added Beef Program and the Center for Profitable Agriculture online at https://ag.tennessee.edu/cpa or by calling (931) 486-2777.

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