



Program Evaluation Summary
Value-Added Beef -- “Scratching the Surface” Workshop Series
November 2011 to March 2012

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Summary

From November 2011 to March 2012, ten “Scratching the Surface” workshops were conducted in Tennessee as part of the Tennessee Value-Added Beef Program. A total of 386 participants attended the ten workshops (an average of 38 per workshop location, and survey response of 59 percent). Live animal sales for custom harvesting and meat sales were discussed at all workshops as was marketing, profit potential and retail and non-retail sales. This series of workshops was possible through the collaboration of three members of the teaching team and 11 local workshops hosts.

While participants in the workshop represented a variety of cattle production activities, 80 percent had cow-calf operations, 23 percent were involved in finishing cattle while just over 7 percent of those in attendance were not currently involved in cattle production. The average farm represented in the workshop had 64 head of cattle and 301 acres. For those finishing cattle for local marketing, the average number of cattle finished was 11 head per year (the number of head finished per producer ranged from 1 to 50). While 36 percent of the participants indicated they were currently involved in marketing live animals for custom harvest, only 6.9 percent were currently marketing meat direct to consumers and only 4.6 had a retail meat permit.

Using a 1 to 10 scale, the average rating of the overall workshop was 8.3 with the overall greatest increase in knowledge and understanding reported for the topic of “retail meat sales” (8.0) followed by “live animal sales for custom processing” (7.9). Also, when asked to indicate the most important things learned in the workshops, “regulations” and/or “permits” were mentioned by 65 percent of the respondents. When asked to identify the best parts of the workshop, participants overwhelmingly indicated “regulations,” definitions about live animal sales” “information about retail and non-retail sales” and “profit potential, economics and marketing.” They also noted planned actions including “obtaining a retail meat permit,” “registering with USDA for non-retail meat sales” and “improving record keeping for live animal sales.”

These workshops met the objectives of improving participant awareness, understanding and knowledge of regulatory and permit requirements for value-added beef ventures. In addition, the workshops contributed positively to the development and expansion plans for new farm-based retail beef, non-retail beef and finished live-animal sales. In one workshop, participants indicated an increase in knowledge and understanding on various topics ranging from an average of 1.95 to 3.6 (on a 1 to 5 scale) with 60 percent rating their post-workshop knowledge at a 4 or 5. In another workshop, the average rating of the workshop’s usefulness was 5.0 on a scale of 1 to 5. Participants rated their knowledge about various topics prior to the workshop as an average of 4.4 (on a 1 to 10 scale) and an average of 8.0 after the workshop.

Using conservative estimates from the results of the post-workshop evaluations, it is estimated that 27 of the participants plan to make significant changes in their beef marketing operations. With the improvements in knowledge and understanding, some participants will decide not to pursue direct

marketing in any form while others will make significant changes that will allow them to operate more confidently and legally within the regulations. It is also estimate that the practice changes of marketing beef under a retail meat permit, under non-retail registration and live animal sales for custom processing will result in a gross farm revenue impact of \$744,480.

Overview

From November 2011 to March 2012, ten “Scratching the Surface” workshops were conducted in Tennessee as part of the Tennessee Value-Added Beef program. While the presentations at each location varied some based on the teaching team and specific local needs – the basic instruction was the same for all workshops and included instruction and discussion on marketing, regulations and profit potential. Live animal sales for custom harvesting and meat sales were discussed at all workshops as was retail and non-retail sales.

A summary of workshop locations and attendance and program evaluations completed is included in Table 1.

Table 1. Summary of Workshop Location, Attendance and Evaluations Completed						
Date	Location	Attendance			Number of Evaluation Forms Completed	Portion of Participants Completing Evaluations
		Total	Male	Female		
November 1, 2011	Stewart County	16	11	5	11	69%
November 7, 2011	Humphreys County	38	26	12	15	39%
November 8, 2011	Hickman County	20	16	4	10	50%
November 28, 2011	Perry County	26	20	6	17	65%
November 29, 2011	Giles County	46	30	16	23	50%
December 12, 2011	Loudon County	54	40	14	32	59%
January 30, 2012	Wilson County	72	39	33	35	49%
February 23, 2012	McMinn County (*1)	51	38	13	48	94%
March 12, 2012	Sullivan County	53	40	13	30	57%
March 29, 2012	Fayette County (*2)	10	7	3	7	70%
Totals	10 workshop locations	386	267	119	228	59%

(*1) The workshop in McMinn County was presented as part of the 2012 McMinn Beef College. The evaluation results for the value-added beef presentation were part of the overall beef college evaluation.

(*2) The workshop in Fayette County did not follow the same format as all other workshops. The information presented was consistent with other sessions but the small group setting suited an open discussion forum more than presentation.

Collaboration:

This series of workshops was possible through the collaboration of teaching team members, local workshops hosts and various contributions from members of the Value-Added Beef team.

- Workshop Teaching Team: Megan Bruch, Hal Pepper and Rob Holland.
- Local Workshop Hosts: Joe Griffey, Jerri Lynn Sims, Troy Dugger, Amanda Mathenia, Kevin Rose, John Goddard, Rebekah Norman, Ruth Correll, Tim Woods, Chris Ramsey and Jeff Via.
- Value-Added Beef Program Team: Justin Rhinehart, Ronnie Barron, Gary Bates, Charles Hord, Debbie Joines, Rebekah Norman, Jonathan Rhea , Valerie Bass, John Bartee, Dwight Loveday, Bill Thompson, Jerri Lynn Sims, John Frady, Tiffany Howard, Wendy Lofton Sneed, Emmitt Rawls, John Campbell, Kevin Ferguson, Tammy McKinley, and Alice Rhea.

Post-Workshop Evaluation

As part of the overall workshop evaluation, each participant was asked to indicate their current cattle production activities from the following options: “not currently in the cattle business,” “cow-calf,” “stockering/backgrounding,” “cattle finishing,” “purebred” and “commercial” herds. Participants were encouraged to check all operations that apply. Table 2 shows a summary of the percent of participants that indicated each type of production activity. For example, 7.5 percent of the participants indicated that they are “not currently in the cattle business” while most participants (80 percent) have a cow-calf operation.

Table 2. Percent of Participants Involved in Various Aspects of Cattle Production	
Not Currently in the Cattle Business	7.50%
Cow-Calf Production	80.0%
Stockering/Backgrounding	16.0%
Cattle Finishing	23.0%
Retained Ownership	5.80%
Purebred Herd	20.0%
Commercial Herd	36.0%

Participants were asked to indicate the average number of head of cattle that they manage in a given year and the number of acres in their farming operation. Those participants that were currently finishing cattle for local harvesting/processing (either for live animal sales for custom harvesting/processing or for direct meat sales) were asked to indicate the average number of head of animals that they are currently finishing. Table 3 provides a summary of the average number of cattle managed per farm/participant, the average number of acres farmed and the approximate number of head of cattle that are finished for local harvesting/processing. These values are provided as an average for all participants across all workshop locations

Table 3. Summary of the Average Number of Cattle Managed Per Year, Average Number of Acres Farmed and the Number of Head of Cattle Finished Per Year for Direct Marketing	
Average Number of Cattle Managed Per Farm	64 head
Average Number of Acres Farmed	301 acres
Total Number of Head Finished for Direct Marketing	800 head
Average Number of Head of Cattle Finished (for live sales and/or meat) Per Year Per Farm for Direct Marketing (an average of those that direct market)	11.3 head
Range of Number of Head of Cattle Finished Per Farm	1-50

Table 4 provides a summary of the participants that were finishing animals for local harvest (as live animals for custom harvest/processing and for retail meat) as well as those who currently have a retail meat permit from TDA. Overall, 41 percent of the participants are currently finishing animals for local harvesting, 36 percent are currently marketing live animals for custom harvesting/processing, 6.9 percent of the participants are currently marketing meat direct to consumers and 4.6 percent of the participations already have a retail meat permit with TDA.

Table 4. Summary of the Percent of Workshop Participants that Currently Finish Cattle for Local Harvesting, Are Involved in Marketing Live Animals for Custom Harvest, Market Meat Direct to Consumers and Have a Retail Meat Permit from TDA	
Participants that currently finish animals for local harvesting	41.0%
Participants currently involved in marketing live animals for custom-harvest	36.0%
Percent of respondents that currently market meat direct to consumers	6.90%
Percent of respondents that currently have a retail meat permit from TDA	4.60%

Participants at each workshop were asked to rate the overall workshop on a scale of one to ten (where 1 = terrible and 10 = excellent). The average rating of the overall workshop ranged from 7.4 at one location to 9.7 at another. The average rating of all participants across all workshops was 8.3.

Using the same one to 10 scale, participants were asked to rate how much their overall “understanding” about each of the primary teaching topics issues had changed as a result of participating in the workshop. The scale used was 1 = no increase in understanding and 10 = huge and profound increase in understanding. The primary topics/issues taught during the workshop were: value-added beef opportunities, marketing, live animal sales for custom harvesting/processing, retail meat sales and costs and profit potential. Table 6 presents the average rating for each of these topic areas for all participants across all workshop locations.

Table 6. Average Ratings of How Participants’ Level of “Understanding” About the Primary Teaching Topics Has Changed (on a scale of 1 to 10 where 1 = no increase in understanding and 10 = huge and profound increase in understanding)	
Understanding of value-added beef opportunities	7.4
Understanding of marketing	6.8
Understanding of live animal sales for custom processing	7.9
Understanding of retail meat sales	8.0
Understanding of costs and profit potential	7.7

When asked to identify some of the **“best parts of the workshop”** clear patterns emerged from participants. The most often stated best parts included the following:

- Regulations
- Definitions and practices about live animal sales
- Information about retail and non-retail sales
- Profit potential/Economics
- Marketing

In addition, other parts of the program that were identified as best parts included:

- Being provided the actual forms needed
- Opportunity for discussion
- Having the handouts
- Very clear examples and clear definitions: (retail sales, non-retail sales, live animal sales for custom processing)
- Availability of UT Extension Personnel, nice people
- Detailed information on different methods/options for sales
- Listings of existing processors
- Being provided with new information
- The carcass cutting yield vs. dressing percentage information
- The simple and descriptive marketing and regulatory terms
- Easily understood

When asked to identify **“things that could be improved in the workshop,”** input included suggestions for topics to be considered for future workshops and suggestions regarding workshop details such as the following:

- Some of the presentations should be shorter
- All of the information seemed negative based, there were no positives regarding the content.
- Start presentation earlier during meal
- Thought it would have more information for me as a registered herd owner that sells the replacement heifers to a commercial operator
- Less just reading your slides, got very tedious –be more concise
- Provide coffee
- Need more time
- Start presentations earlier in the evening, at 6:30 pm
- Too much repetition in the slides
- I am not interested in selling cuts of meat at this time; I would like to have known that this was where the emphasis of most of the workshop was going to be.

Participants were asked to provide input and suggestions for “**future workshops.**” Comments have been categorized into suggestions regarding teaching methods/techniques and specific subject matter topics. Topics suggested have been sub-categorized according to production, processing, marketing and business management areas.

Teaching Methods/Techniques

- Include actual producers who do these practices now.
- Possible field trips to farms already doing this
- Include more real life case studies and success stories – examples of marketing, examples of handling/storage
- Separate workshops for “meat marketing” and “live animal sales”
- Have a session where forms are actually completed
- Include inspectors make a presentation on exactly what they are looking for
- Ask some farmers to attend the workshop as a guest to discuss their operations
- Examples of successful retail and non- retail ventures
- Provide some "real life" case studies
- Include someone on program who is actually direct marketing
- Briefing from actual meat producers that are out there being successful today
- Have participants share their marketing techniques

Topics

Production

- Customizing EPD for areas of interest
- Breeds-cuts to maximize amount of beef.
- Would like to learn more about the practical side of finishing beef
- Grain fed beef vs. grass fed
- We need more practical information on production side of finishing animals

Processing

- Details about working with a processor
- Identify how to reduce processing expenses
- Documentation and records for regulations/inspectors
- Overview of cutting options
 - provide an example “cut sheet” for processor
 - what a producer needs to know about meat cuts and cutting
 - training for processors
 - cutting options
 - cutting for maximum marketing benefits
- Mobile processing
- Meat grades
 - Prime, choice, select...
 - Relationship between grades and different types of marketing

Business Management

- Sales tax
- Liability protection
- Direct sales of other meats
- Records
 - recordkeeping
 - budgeting
 - paper trail for regulations/inspectors
- Need example budgets for selling live animals
- Provide an example bill of sale for live animal sales
- Cost analysis from birth to finish
- Cost comparison of buying calves to finish for custom harvest or raising from cow-calf
- Identity theft from a product legacy perspective - how do you protect your product?
- More details for costs, expenses, budgeting

Marketing

- Label claims (PTP, organic, natural, Tennessee natural, “certified” terms/claims)
- Marketing coops
- Pricing
 - how to set prices on meat
 - pricing for live animal sales
- Effective marketing techniques
- Effective customer and consumer relationships
- Marketing trends
 - niche markets
 - product/label claims
 - consumer preference for grass-fed vs. grain fed
 - fresh vs. frozen meat
- Need more on marketing (websites, signage, etc.).
- Additional (specific) examples of marketing from folks already in the business would be good.
- Cover niche-market opportunities in more detail – target segments
- Target marketing
 - specific consumer groups
 - let us hear from consumers about what product they want to buy
 - target consumers for various production systems
- More details about how to use TAEP funding (TAEP funds sure were helpful to me and my direct marketing efforts: freezers, marketing...)

What They Learned

When asked to identify the “**most important things learned**” in the workshop, participants listed the following:

- Regulations
 - “That I should not pay for custom processing after I have sold the live animal”
 - How to get a retail meat permit
 - How to contact TDA for retail meat permit
 - The importance of “ownership” with custom harvest
 - How to register with USDA
 - How to sell meat legally
 - Difference between retail and -non-retail sales
 - Difference in live animal sales and meat sales
 - “More regulations are involved than I thought”
 - “It is not a simple process – you must research it well before committing.”
 - “We need to start keeping more documentation for live animal sales.”
 - I need a bill of sale for my live animals”
- Budgeting and profit potential
 - I have a much better understanding of profit analysis
 - It will take a lot of money, labor and education to do all this
 - How to calculate approximate poundage of meat out of an animal (dressing percentage)
 - How you can diversify and make a profit
 - The amount of money that is possible to earn selling retail
 - List of possible fixed and variable expenses
 - “You had a good approach to break-even analysis”
- Marketing
 - Marketing considerations - great vocabulary provided in PowerPoint sheets
 - The importance of planning ahead
 - The “talent set” for marketing is significantly different from “talent set” for farming
 - Have a consumer first and a quality product
 - A market analysis/plan is very important
 - Target your customer -- know who you are selling to
 - Make sure the consumer knows they are buying a live animal
 - How to market to restaurants and retail stores
 - The steps needed to begin the marketing process
- Other
 - Different ways for selling beef
 - Do I really want to sell beef this way?
 - How to handle the paper-trail (documentation) for freezer beef
 - I need to start using a bill of sale
 - If you do it right, all this can be complicated
 - Forming a plan and which plan would work for me

Planned Practice Changes

When asked to “**identify specific actions planned for implementation as a result of what was learned in the workshop,**” the following actions were listed:

- I will stop paying for the custom processing for live animal sales
- I plan to get a retail meat permit
- I will start doing a better job of tracking all of our expenses
- I plan to register with USDA for non-retail sales
- I will limit my considerations to only live animal sales
- I will begin to contact and research processing facilities
- I plan to implement more live animal sales
- I will get me a receipt book, I will not be selling retail cuts
- I will do more word-of-mouth advertising and will communicate better with my customers
- I plan to develop a recall plan
- We need to research non-retail regulations
- I will plug in my numbers/estimates and see if I can make money
- I will look into marketing live animals for custom processing
- I have a better understanding of how to “legally sell live animals” for custom processing
- We need to do more research and attend more workshops about raising/selling animals
- I will sell animals on live basis and live weight only
- I need to do more research and study on direct sales to consumers
- I will do a better job of providing a “bill of sale” for live animal sales
- I need to spend more time on market research for various products
- I will stick with marketing through weekly auctions
- I hope to develop a broader consumer base to sell products to
- I am a bit negative as far as selling beef at retail/non-retail
- I am going to try to use business plan strategies to benefit our product
- I plan to improve marketing - - update website, local table, etc.
- I will make some changes to our marketing
- I will continue in cattle sales for local customers , I will begin to use a bill of sale
- I will make a marketing plan and budget plan
- I will do a better job with records now that I have a better understanding of permits
- I will make sure my customers understand that they are purchasing a live animal, not meat.
- I plan to get registered with USDA for non-retail sales
- I plan to get all the needed permits. I think there are good alternate routes thru value-added
- I will do a better job of following all rules and regulations
- I plan to start selling meat with a retail permit
- I plan on providing a bill of sale and transfer of funds before processing
- I am going to try to become more legally correct
- I want to try to get permitted to sell meat to non-retail outlets
- I plan to change my procedure of sale of beef for "freezer beef" to local customers
- I will add photos of live animal to document to buyer that it is a live sale
- A test market is needed to identify customer base
- I will do more study, develop a cost/feasibility analysis and test the market
- I will explore possible sales for live animals and evaluate interest from local customers

An Estimate of Impact

The most-often mentioned planned actions after the workshop were:

- sell live animals for custom processing
- begin to use bill of sale, photograph of live animals and receipt book
- get a retail meat permit
- get registered with USDA for non-retail sales

In terms of increased knowledge, a heavy majority of participants indicated that they learned the most about “regulations” and “permits.” Using a 1 to 10 scale, the largest increases in understanding were reported for “retail meat sales to consumers” and marketing live animals for custom processing.” Also, when asked to indicate the most important things learned in the workshops, “regulations” and “permits” were mentioned by 65% of the respondents.

In one workshop, participants indicated an increase in knowledge and understanding on various topics ranging from an average of 1.95 to 3.6 on a 1 to 5 scale with 60 percent rating their post-workshop knowledge at a 4 or 5. In addition, 4 participants indicated that they planned to begin direct marketing and one participant said the best part of the training was that they learned things that will help them assist their customers.

In another workshop, the average rating of the workshop’s usefulness was 5.0 on a scale of 1 to 5. That is, 100% of the participants rated the workshop’s usefulness as a 5. Using the same 1 to 5 rating, the participants indicated their plans to utilize information learned in the workshop as an average 4.9 (where 1 is definitely will not utilize the information and 5 is definitely will utilize the information). Participants rated their knowledge about various topics prior to the workshop as an average of 4.4 (on a 1 to 10 scale) and an average of 8.0 after the workshop.

The “Scratching the Surface” workshops met the objectives of improving participant awareness, understanding and knowledge of regulatory and permit requirements for value-added beef ventures. In addition, the workshops contributed positively to the development and expansion plans for new farm-based retail beef, non-retail beef and finished live-animal sales.

Using conservative estimates from the results of the post-workshop evaluations, it is estimated that 27 of the 376 participants will make significant changes in their beef marketing operations. With the improvements in knowledge and understanding, some participants will decide not to pursue direct marketing in any form while others will make significant changes that will allow them to operate more confidently and legally within the regulations. It is also estimate that the practice changes of marketing beef under a retail meat permit, under non-retail registration and live animal sales for custom processing will result in a gross farm revenue impact of \$744,480(*3).

(*3) [Approximately 3 farms selling 11 head via non-retail at 480 lbs times \$6 per pound = \$95,040; approximately 6 farms selling 11 head via retail at 480 pounds times \$8.00 = \$253,440; approximately 18 farms selling an average of 11 head per year live for custom harvest at 1,000 pounds time \$2.00 per pound = \$396,000. Total = \$744,480.]