

Grain Fed Freezer Beef Pricing Worksheet

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Beef Pricing Example: Avg. Retail Price \$4.48/lb. (3/2011)

Live Weight of steer _____	1200 lbs.	(this weight is often not known)
Dressing Percentage _____	63%	(Beef 62- 64%, Holstein 58-60%)
Carcass Weight _____	756 lbs.	(1,200 x 0.63)
Carcass Price _____	\$2.20/lb.	(determined by agreement between seller & buyer)
Final Carcass Price _____	\$1,663.20	(756 x \$2.20)
Live Weight Market Price Comparison _____	\$1.39/lb.	(\$1,663.20/1,200# live animal)

Product Pricing Calculation:

Carcass Weight _____	756 lbs.	
Carcass Yield _____	72%	(see yield grades below)
Final Packaged Weight _____	544.3 lbs.	(756 lbs. x 0.72)
Processing & Packaging Cost _____	\$340.20	(756 lbs. x \$0.45/lb.)
Total Packaged Carcass Value _____	\$2,003.40	(1,663.20+\$340.20)
Final Packaged Price _____	\$3.68/lb.	(\$2,003.40 / 544.3 lbs.)

For value comparison between this freezer beef packaged price of 3.68/lb. and the average retail price of \$4.48/lb. In this example, freezer beef is priced 17.9% lower than retail [$1 - (\$3.68/\$4.48)$].

Dressing Percentage Steers average 63% and heifers average 62%. You can use these percentages to estimate price but actual sale is commonly based on certified scale weight of the carcass at the slaughter facility just before cutting.

Yield Grades Determined by four factors: (Hot Carcass Weight, 12th Rib Fat Thickness, Ribeye Area, Kidney Pelvic & Heart Fat). The resulting carcass cutting loss is composed of mainly fat and bone trim in addition to moisture shrink in the cooler.

- Yield Grade 1 Carcass yield 80% or higher retail cuts
- Yield Grade 2 Carcass yield 75-79% retail cuts
- Yield Grade 3 Carcass yield 70-74% retail cuts
- Yield Grade 4 Carcass yield 65-69% retail cuts
- Yield Grade 5 Carcass yield less than 65% retail cuts

The determination of a carcass yield grade is usually not necessary to sell freezer beef.

Packing Fee

Cutting and Wrapping generally runs between \$.40 and \$.55/ pound of carcass wt. Variables include packaging type, package size, uses, specialty cutting, etc.

Higher yield grades (lower yield number) result in more pounds of retail product generally resulting in more value.

USDA Quality Grades

USDA Prime: The lean is highly marbled and usually very tender and juicy. External fat may be excessive.

USDA Choice: The lean is average in marbling and usually tender and juicy. External fat is variable.

USDA Select: The lean contains some marbling. Tenderness, juiciness and flavor can be highly variable. Not much exterior fat.

USDA Standard: Very lean. Little or not marbling, tenderness and juiciness are extremely variable.

USDA Commercial, Utility, Cutter, Canner: Generally applies to older animals and not utilized for burger and not marketed as individual sub-primal cuts.

The determination of a carcass quality grade is usually not necessary to sell freezer beef.

Purchasing Selective Cuts:

Often customers want an alternative to the standard ¼ or ½ of the carcass. For many families, freezer space or budgets don't allow for large quantities to be purchased at one time. They may desire to only buy certain cuts. In these cases, you can add more value buy subdividing the product into value boxes or special packages. This is another way to increase the value of your product.

Freezer Beef Sales Regulations

The sale of freezer beef is regulated by the United States Department of Agriculture. Be sure you understand and follow the law before you commence sale activities.

Updated beef retail pricing can be found at the USDA link below.

<http://www.ers.usda.gov/data/meatpricespreads/>