

Cornell **CALS**
College of Agriculture and Life Sciences

Beef and Beyond: A Look at Local and National Animal Protein Markets

Farm Credit East
June 18, 2020

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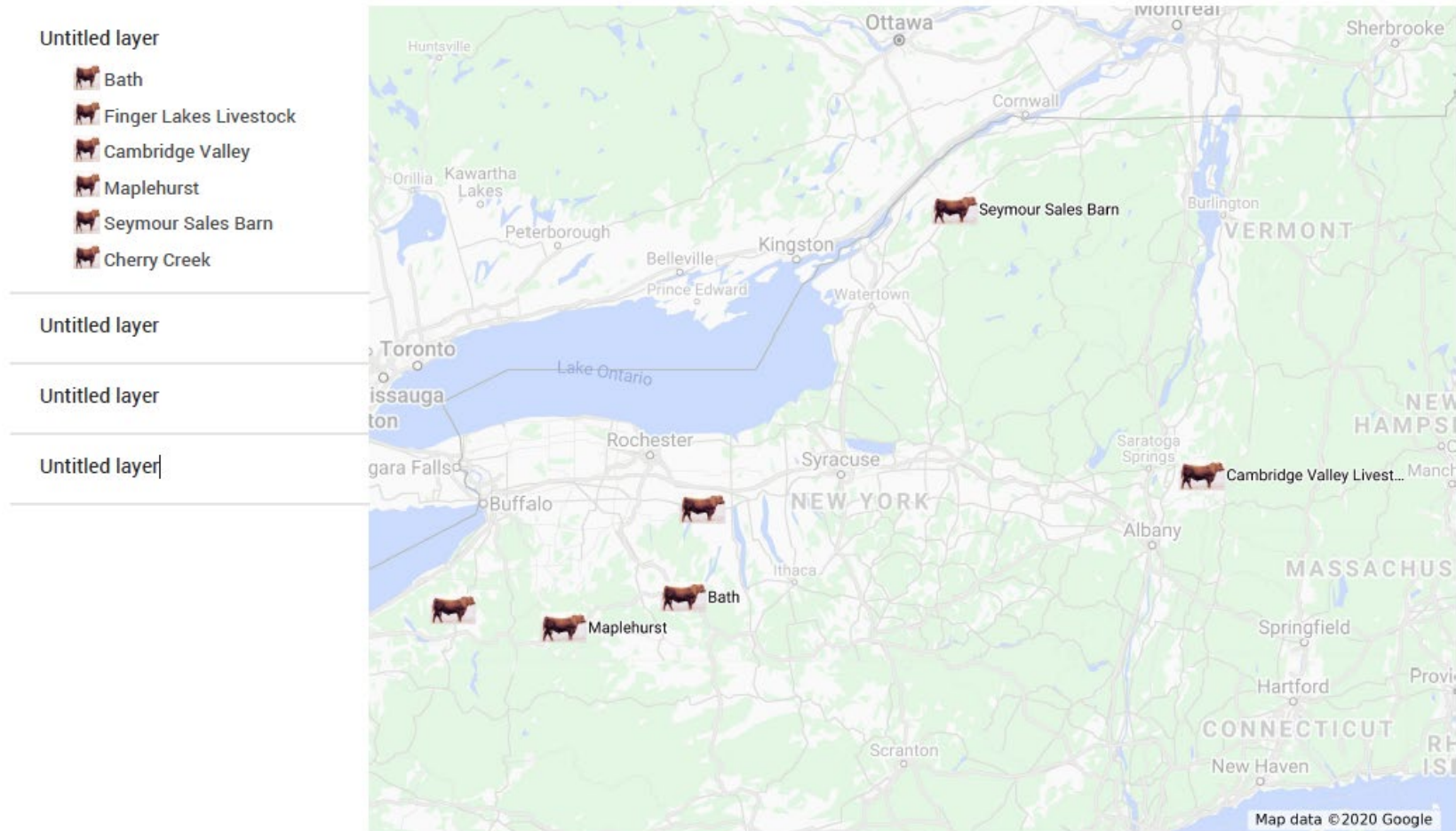
Market disruptions:

- Crisis created stockpiling of ground beef.
- Cargill responded by suspending slaughter of finished cattle.
- JBS temporarily closed due to COVID-19.
- Nicholas Meats a mid-size plant were buying only what they could process in a couple of days.
- Consumer purchasing habits have changed.

Thermal scanning, Smithfield packing

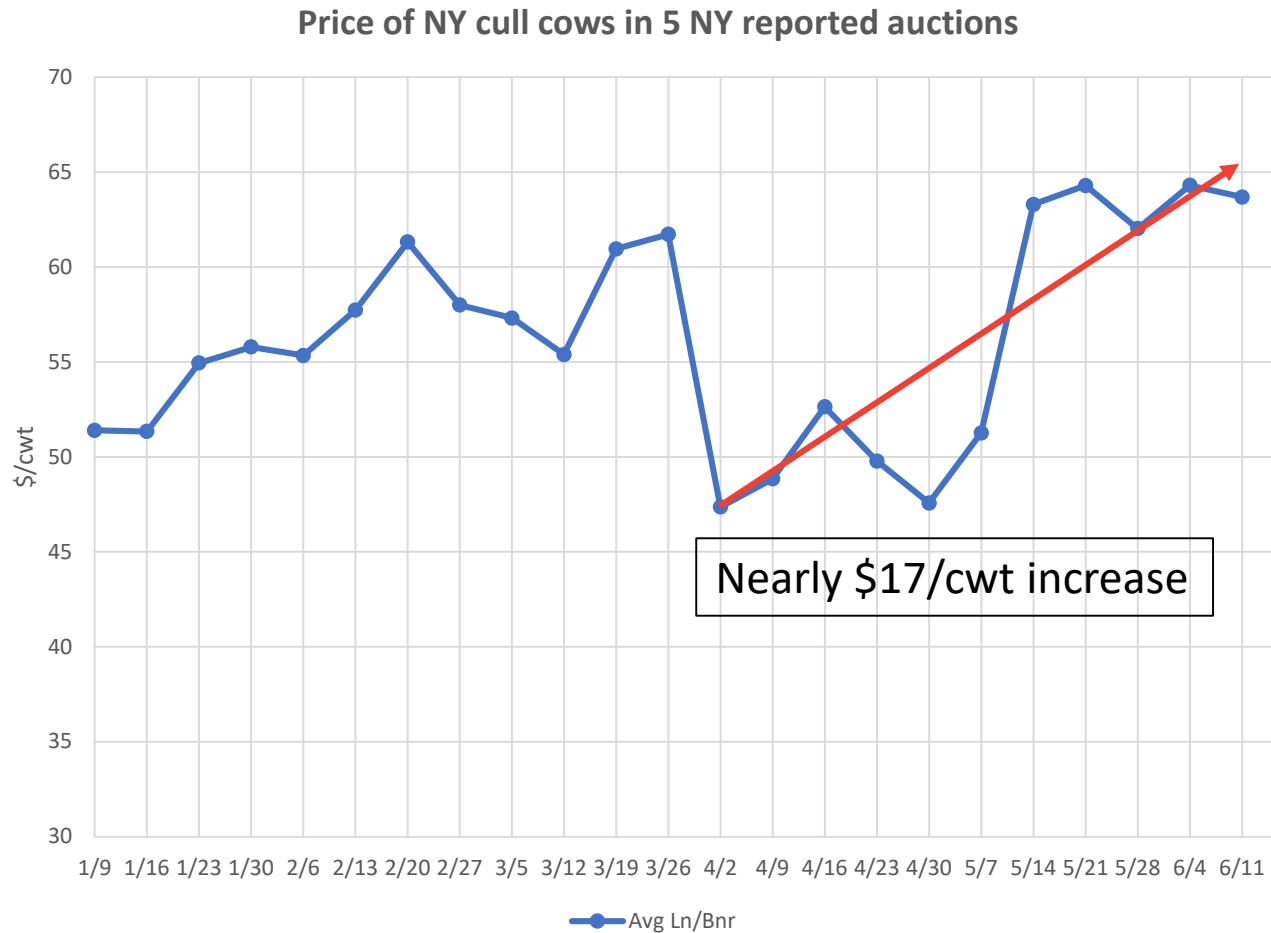


NYS Livestock Reported Auctions

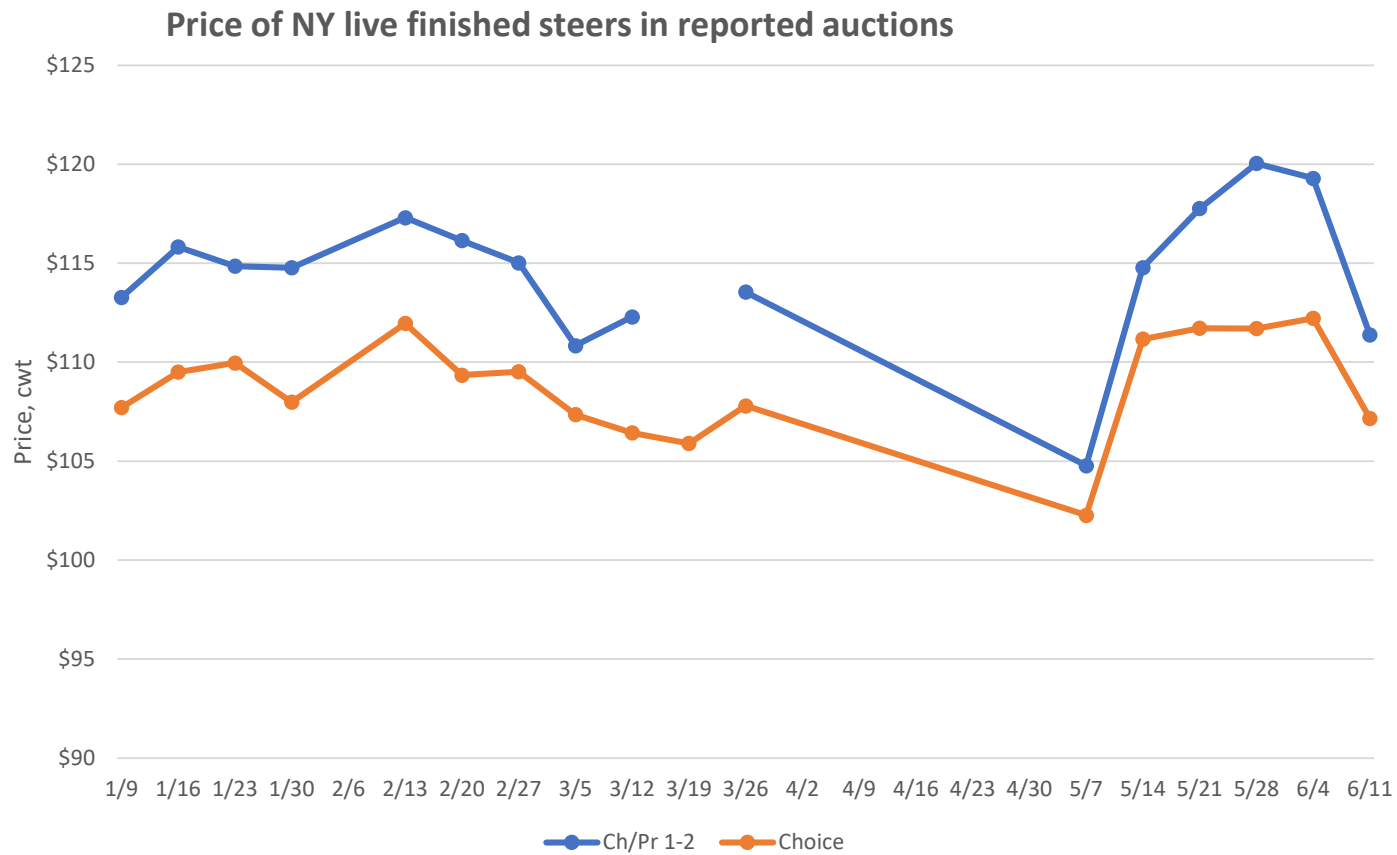


Funds to support the NYS Market News program come from New York State Department of Agriculture and Markets project “Stocker cattle: Using underutilized grasslands to improve economic viability of the Southern Tier while providing viable careers for beginning farmers.”

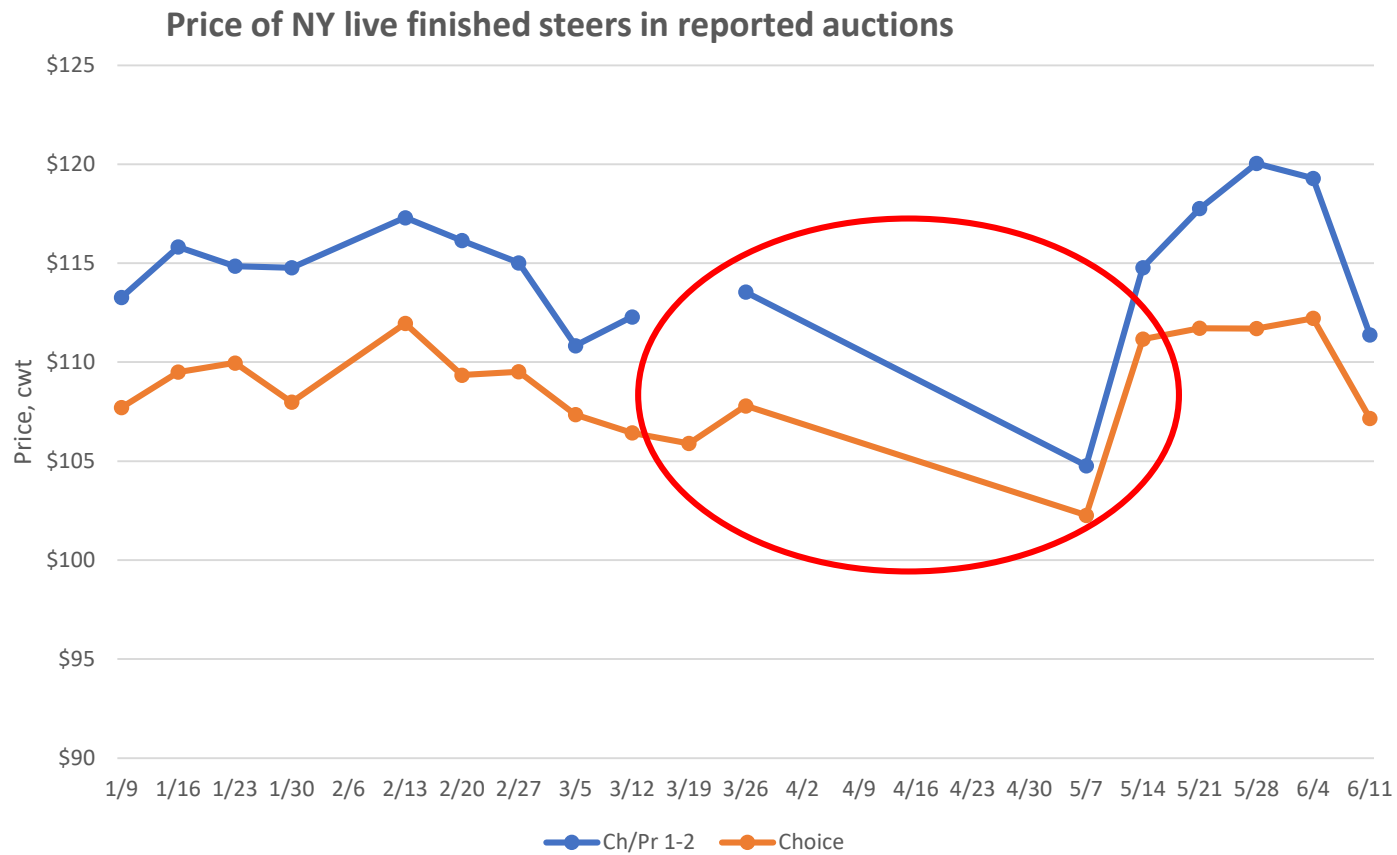
Effect on cull cow prices



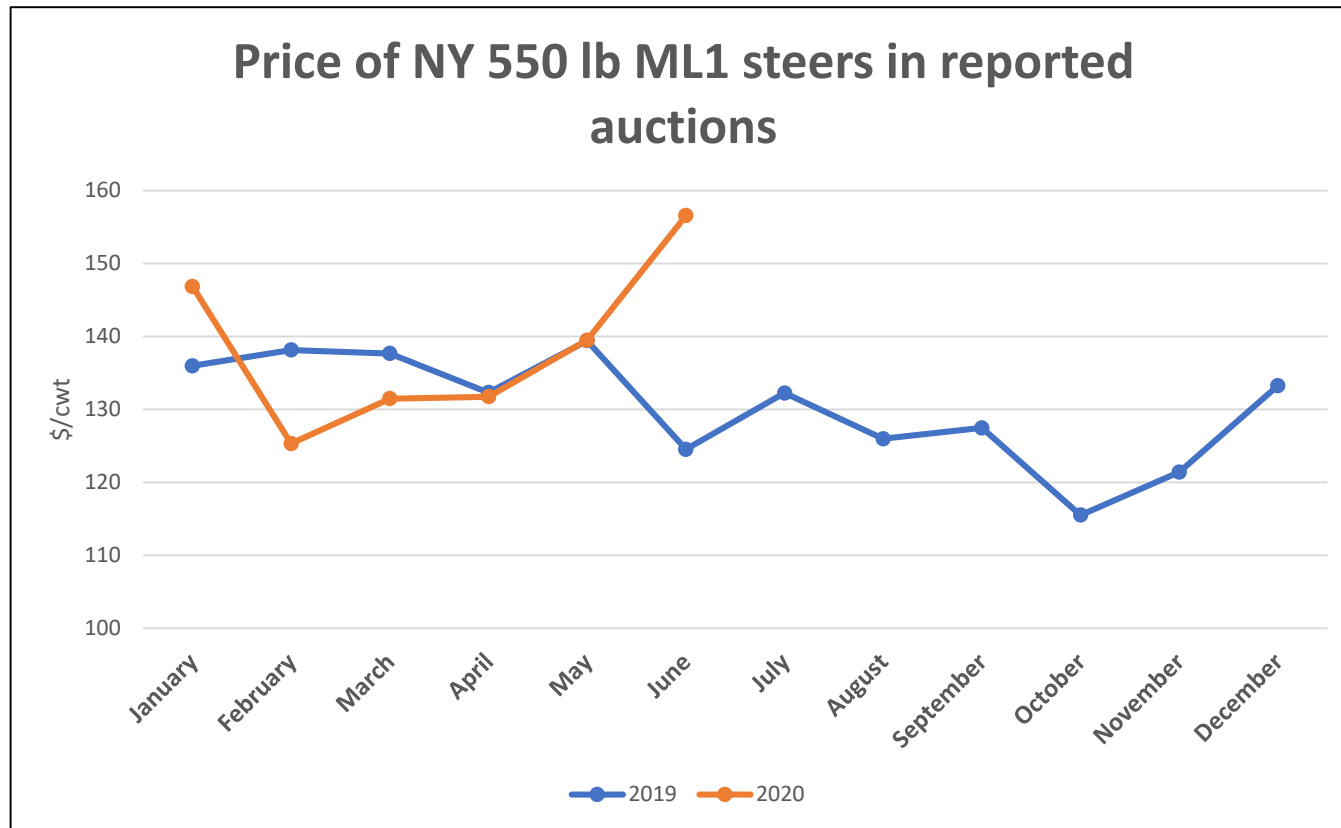
Effect on finished cattle prices



Effect on finished cattle prices



Effect on feeder cattle prices

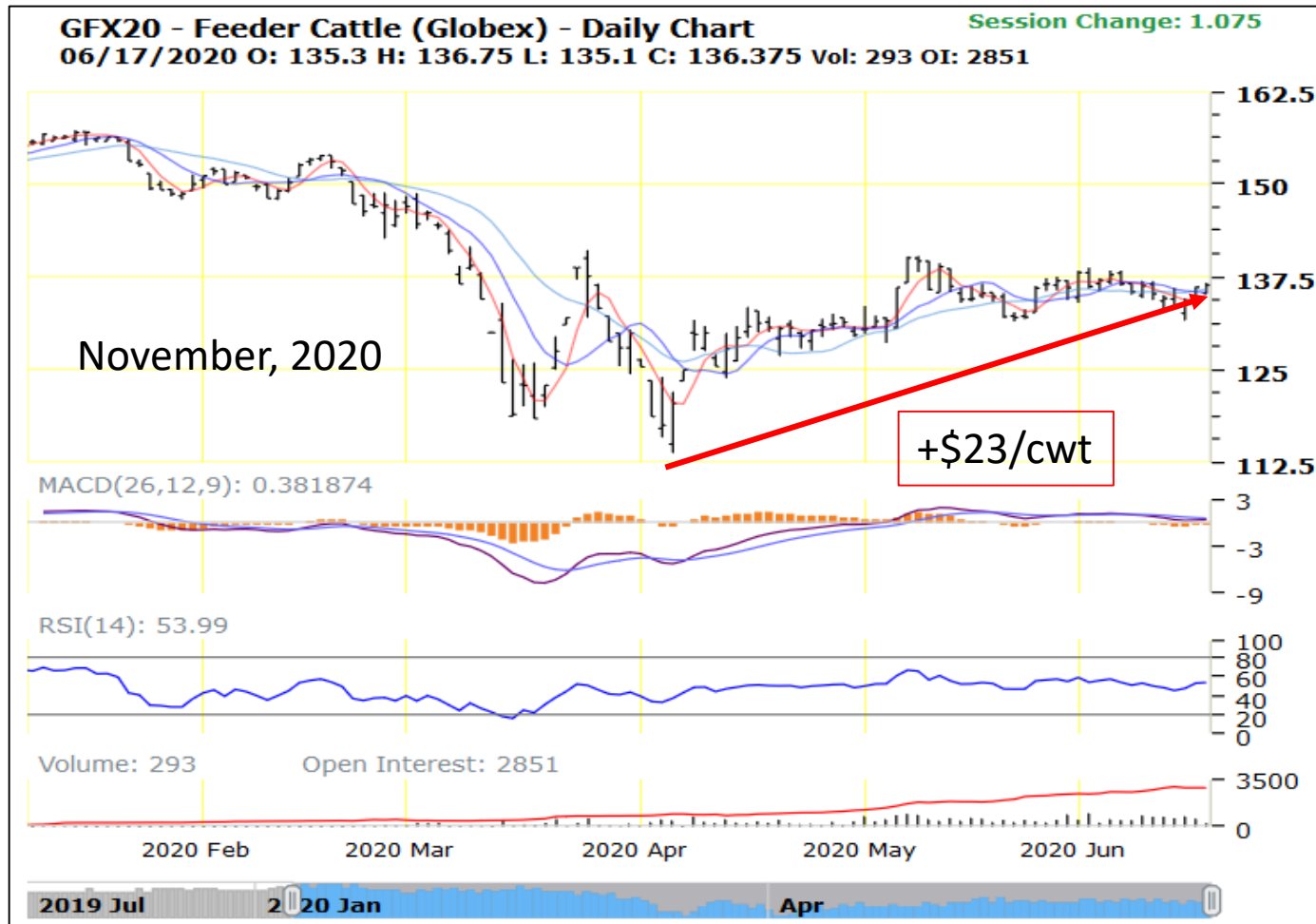


(Source: <http://blogs.cornell.edu/beefcattle/market-information/>)

What will feeder prices be this fall?

- Feed (corn and DDG) will be low.
- LC Futures indicate a BE by end of year.
- Cattle Fax predicts Feeder Calves will be near last year levels.
- For NYS last year's 550 lb steer calves were \$120 - \$130/cwt.

What will feeder prices be this fall?



Adding value to feeder calves

Difference in Value Added cattle compared to those without documented value.

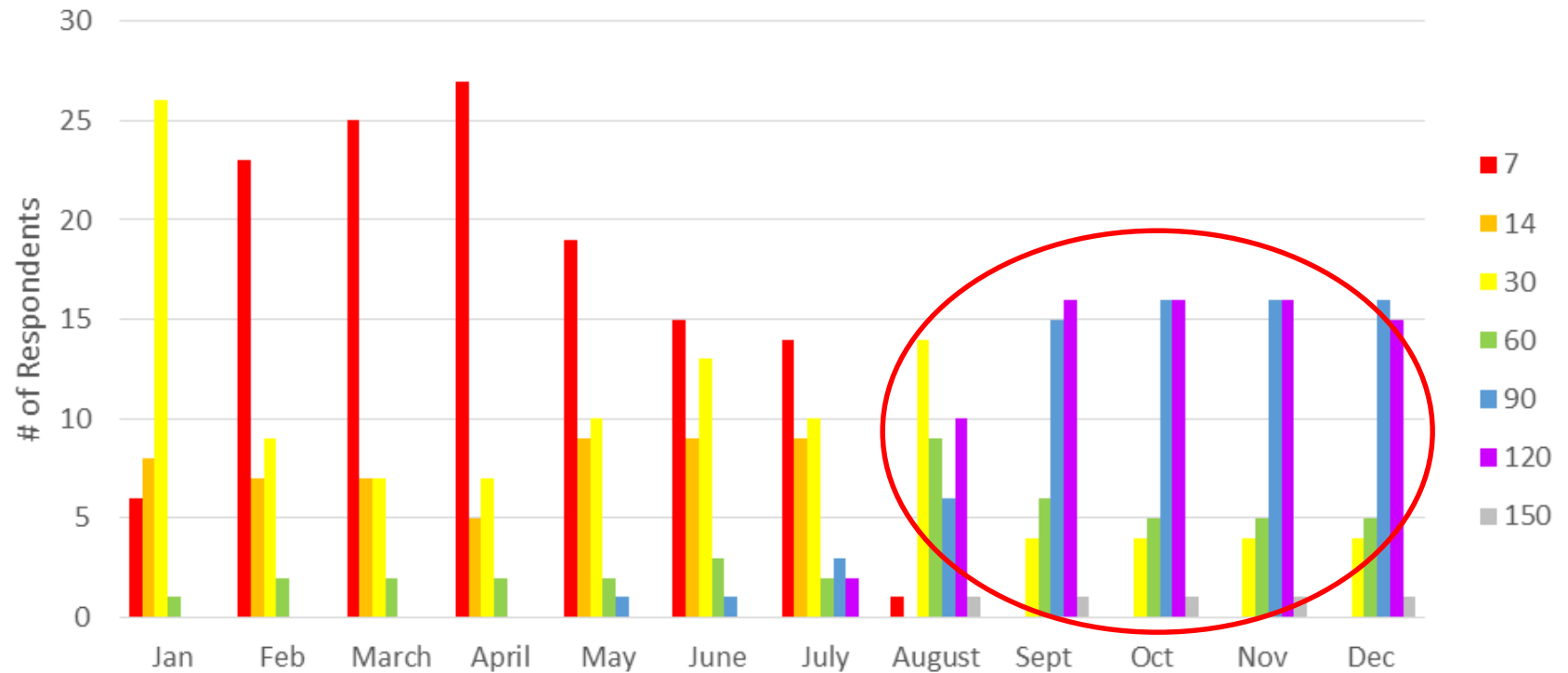
Description	No. of head	Weight, lb	\$/lb	\$/hd
Value Added	120	560	1.38	773
Non-value added	40	543	1.18	641
			Difference	132

THE STATE OF THE USDA INSPECTED RED MEAT HARVEST & PROCESSING INDUSTRY IN NEW YORK & NEW ENGLAND

MacKenzie Waro
Maria Kalaitzandonakes
Michael Baker, PhD
Christian Peters, PhD
Miguel Gómez, PhD
Michael Conard

Seasonality

Days to Schedule Animal Harvest



KEY FINDINGS

AVAILABILITY & QUALITY OF LABOR

74% of respondents stated that lack of access to qualified workers is the **biggest constraint to the industry**. 52% stated they want trained employees or employees with some knife work, but can be easily retrained to meet the plant's needs. It is important that these plants find labor that is willing to work, shows up to work, believes in the industry, and understands that they are part of the the national food system.

LIMITS TO COLD STORAGE

68% stated that their cooler size and space **constrains their product throughput**. Respondents want to add additional harvest days, but cannot due to their cooler capacity.

LIMITED ACCESS TO FUNDING

Almost 57% of respondents stated they needed access to funding (access to grants or loans) in order to **grow their business**. Respondents want access to funding to physically expand or update the infrastructure and to update outdated equipment and purchase new equipment. There is outside funding to build a new plant but not to update existing plants. Some plants need to update their floors, coolers, rail system, and would do so if they could get the funding.

SEASONALITY OF LIVESTOCK

Throughout New York and New England, livestock are historically finished in the fall months. This leads to a bottleneck of the majority of livestock needing to be harvested while the plants are already overbooked. If producers start finishing livestock during the slower season (February to May) then existing plants can increase profits. Working together, plants could incentivize producers to provide livestock during their slow times which in turn would help plants keep a year round labor supply. Plants are turning away business in the busy months, due to lack of cooler space and labor constraints. **Plants need business in the off-season to remain viable.**

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Beef Cattle Management

Michael J. Baker, PAS, PhD, Beef Cattle Extension Specialist

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Creating Consumer Friendly Bulk Meat Sales

The situation facing us today is challenging. While conventional markets for livestock have cooled as large processors slow down production or temporarily close, NY farms are faced with a unique opportunity to market meat directly to the consumer. This workshop is designed to equip the producer with clear and simple steps towards making bulk meat sales, such as quarters, halves, and mixed-cut bundles. We'll cover "how to" tips to help you get started quickly. Join Ag. Marketing Consultant, Matt LeRoux, for this online workshop that covers understanding the consumer, pricing, product formats, and reaching consumers.

[BEEFCATTLE COMMENTS](#)[NEWSLETTER](#)[SUBSCRIBE BY EMAIL](#)

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Characteristics of the NEW Local Meat Buyer: The COVID Crisis Consumer

Problems

- Want to leave home as little as possible.
- Prefer online ordering & payment.
- Worried about food shortages, particularly meat.
- Worried about bringing the virus into the home on goods.
- May not have the money for large purchases.
- Possibly nervous about spending on large purchases.

Source Matt LeRoux, Marketing Consultant

Characteristics of the NEW Local Meat Buyer:

Opportunities

- Cooking more/most meals at home.
- Willing to buy in bulk (stockpile).
- Eager to buy from short supply chain.
- Eager to support local businesses.
- Looking for ideas for meals.
- Bulk pricing offers better price/lb. than single cuts.

Source Matt LeRoux, Marketing Consultant

Effect on Market Strategy

“The changes happening today—with social distancing impacting our processes—people are becoming more efficient and go online more,” she says. “Those trends have been happening for years, so what’s happening now shouldn’t be too threatening. It’s what you’ve already been preparing for.”

Carenza Harvey, Proagrica

Overcoming Supply Chain Barriers to Expanding Northeast Ruminant Meat Production

[

NIFA Award No. 2016-68006-24744]

Photo by Ken Jaffe

The Team

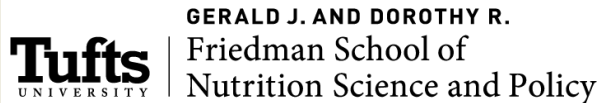


Miguel Gómez, Associate Professor

Mike Baker, Senior Extension Associate

Frank Ge, Research Associate

MacKenzie Waro [in Cornell Cooperative Extension during time on project]



Christian Peters, Associate Professor

Alexandra Thorn [Postdoc during time on project]

Tessa Salzman [Graduate Student during time on project]



Michael Conard, Principal

Jihan Lew [at Design + Urbanism during time on project]

Lessons learned

Point 2.

The region has significant biological potential to expand grass-finished meat production.

There are uncertainties:

- Land area available
- Forage productivity
- Cost of winter feed

Lessons learned

Point 3.

The region's slaughter and processing infrastructure could handle some expansion of production but would eventually hit bottlenecks.

There are limits:

- Processing bottleneck reached at the 1x scenario – finishing existing beef calves on grass
- Slaughter bottleneck happens at about twice the volume of livestock

Lessons learned

Point 4.

Realizing this potential will require substantial coordination between supply chain members, supporting services, and government.

Such as:

- Aggregation
- Year-round production
- Investing in existing infrastructure

Questions.

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<http://beefcattle.ansci.cornell.edu/>

NYS Livestock Auction reports:

<https://www.ams.usda.gov/market-news/feeder-and-replacement-cattle-auctions#NewYork>.

