

Grass-Finished Freezer Beef Pricing Worksheet

Jeannine Schwehofer, Kevin Gould, Jerry Lindquist, Jason Rowntree
Michigan State University Extension Beef Team

Beef Pricing Example: Avg. Retail Price Grass Fed \$7.43/lb. (2/2018)

Live Weight of steer	1075 lbs	(live weight often not known)
Dressing Percentage	54%	(Grass finished 53-58%, Grain-fed beef 62- 64%)
Carcass Weight	580.5 lbs.	(1,200 lbs x 0.54)
Carcass Price	\$4.00/lb.	(agreement between buyer/seller)
Final Carcass Price	\$2,322.00	(580.5 x \$4.00)
Live Weight Market Price Comparison	\$2.16 /lb.	(\$2,322.00/1,075 lb live animal)

Product Pricing Calculation

Carcass Weight	580.5 lbs.	
Carcass Yield	72%	(see yield grades below)
Final Packaged Weight	418 lbs.	(580.5 lbs. x 0.72)
Slaughter Cost	\$90.00	(flat fee from packer)
Processing & Packaging Cost	\$296.06	(580.5 lbs. x \$0.51/lb.)
Total Packaged Carcass Value	\$2708.06	(\$2,322+\$90+\$296.06)
Final Packaged Price	\$6.48/lb.	(\$2,708.06 / 417.96 lbs.)

Dressing Percentage

Steers and heifers finished on grass will have a dressing percentage between 53 and 58%. Steers will be one or two percent higher than heifers. Fat cover, muscling, and carcass size influence dressing percentage the most.

Yield Grades

Determined by four factors: (hot carcass weight; 12th rib fat thickness; ribeye area; kidney, pelvic and 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.

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

Packing/Processing Fee

Cutting and wrapping generally runs between \$.36 and \$.55/ pound of carcass wt.

Variables include packaging type, package size, uses, specialty cutting, etc. Prices will be higher when cold carcass weights are used compared to hot carcass weights.

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. Limited exterior fat.

USDA Standard: Very lean. Little or no marbling. Tenderness and juiciness are extremely variable.

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

The determination of a carcass quality grade is usually not necessary to sell freezer beef. Finishing young cattle on grass to achieve Choice quality grade can be a challenge but is achievable with smaller framed animals and availability of high-quality forages.

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 by subdividing the product into value boxes or special packages if the meat is slaughtered and processed at a USDA inspected facility. 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-products/meat-price-spreads.aspx>

MSU is an affirmative-action, equal-opportunity employer. Michigan State University Extension programs and materials are open to all without regard to race, color, national origin, gender, gender identity, religion, age, height, weight, disability, political beliefs, sexual orientation, marital status, family status or veteran status.