The Beef Price and Yield Estimator Excel worksheet developed by Matt LeRoux is an excellent tool to help producers start to differentiate prices of cuts of their farm raised beef, pork, lamb or goat. The worksheets were originally designed for producers who were working in the freezer market who then wanted to determine the price margins for specific cuts, differentiating their value from the whole carcass price.

In the Northeast SARE grant, “Am I Making a Profit?- Utilizing Calculators to Develop Profitable Prices for Farm-Raised Meats”, four cooperating Maryland farmers, who market their animals primarily as cuts and specialty products, conducted on-farm testing of LeRoux’s current calculator for ease of use, collecting regional production, processing costs, and pricing recommendations, and then make recommendations for refinement to the tool. While finding the tool to be very useful for increasing their awareness of yield calculations, marketing terms, and really made them consider all their production and marketing factors, they offered the following recommendations for changes to the worksheet tool.

1. Step One of the Worksheet is to enter the base price and any premium-

The producers struggled with how to determine the base price in lb/HCW (hot carcass weight). Should they try to calculate their total costs of production per animal and then calculate the per pound costs on a % carcass yield on a hot weight basis? They did not want to use weekly market reports, but wanted a way to address their own production costs.

They recommended more guidelines on how to determine their base price including whether they breed and raised the animal, purchased seed stock and finished raising the animal, or purchased the animal live and had it slaughtered.

They also requested some guidelines on how to set a premium price.

1. Step 2 addresses costs, carcass weight and yields.

They found this area helpful however, they wanted a way to capture additional processing costs such as smoking, slicing, cost of having patties made, etc. If it isn’t added in this section, where can it be considered? None understood where the percentage yield came from.

1. Step 3 is to review estimated yields for primal cuts

Here’s where a table of yield estimates could be included and the formula for determining their own yields if they have the live weight and the HCW. None of these producers had live weight and their processor only provide HCW.

1. Step 4 is to record that actual pounds received for each cut

Producers needed more slots to list all the variety of cuts they received

1. Enter the desired mark-up above costs (%)

Producers uncertain as to what is a reasonable mark-up, what are industry standards, and /or what will the market bear. Where looking for more guidance in selecting this percentage.

1. Adjust pricing to meet goals

While the producers recognized that the columns in this section were in a certain order to facilitate Excel sheet calculations, they found the order of information confusing and also recommended changing the headings of the columns. The recommended that after the column listing the names of the cuts:

1. The next column be “Your
Farm Prices” then
2. “Actual Total Sales”, then
3. “Mark-up”, then
4. “%of Carcass”, then
5. “Suggested Mark-up Price”, then an additional final column
6. “Suggested Price per Pound”

Finally, the color of the box for the difference between target mark-up and current pricing should not be pick or any form of red as some producers thought the color of the box indicated they were pricing product at a loss.